

**U.S. GENERAL SERVICES  
ADMINISTRATION  
And  
U.S. OFFICE OF PERSONNEL  
MANAGEMENT**



**FY 2021  
Congressional Justification**

**February 10th, 2020**

**U.S. General Services Administration**

**SUMMARY of the**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Summary of Appropriations.....	4
Managing Federal Real Estate.....	5
Efficient and Effective Acquisition Solutions.....	6
Innovative Technology.....	6
Expanded Shared Services.....	9
Delivering Government Solutions in the 21st Century.....	11
Reorganizing the U. S. Office of Personnel Management.....	11
OPM Budget by Fund.....	13
Good Accounting Obligation in Government Act.....	13
Federal Capital Revolving Fund.....	14
Real Property Disposal Authority.....	14
Request for New Obligational Authority.....	15
FY 2020 Capital Investment Program.....	15
GSA Annual Appropriations.....	16
GSA Total Obligations by Object Classification.....	17
OPM Total Obligations by Object Classification.....	18
GSA Total FTE.....	19
OPM Total FTE.....	19
Explanation of Changes, Federal Buildings Fund.....	20
Explanation of Changes, GSA Annual Appropriations.....	21
Information Technology Resources.....	22
Information Technology Budget by Fund.....	22

The U.S. General Services Administration (GSA) is uniquely positioned to help the Federal Government best serve the American people. Optimization of GSA's performance ensures the Government can enhance national security, protect public health, and strengthen American communities.

GSA maximizes the effectiveness of taxpayer dollars by supporting more than \$68 billion in procurement spend and effectively managing over 9,500 owned and leased properties across the United States and its territories. GSA achieves cost savings and efficiencies through responsible management of Federal real estate, smarter acquisitions, transformative use of technology, and leading best practices across the Government. As GSA delivers on its mission, it strives to make it easier for industry to do business with the Government, while also promoting partnerships with small and innovative entrepreneurs and companies.

In response to input from GSA's partners in Federal agencies, local communities, and the commercial sector, there are four strategic goals that drive the budget request for fiscal year (FY) 2021.

### **Strategic Goals**

#### ***Savings – Save taxpayer money through better management of Federal real estate.***

GSA will deliver cost savings and value for taxpayers through smart asset management while also providing cutting-edge workplace solutions that help agencies fulfill their important missions.

#### ***Efficiency – Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.***

GSA will lead acquisition and procurement strategies that help agencies access inventive and effective commercial solutions, make it easier to do business with the Government, and use its buying power to drive cost savings.

#### ***Innovation – Improve the way Federal agencies buy, build, and use technology.***

GSA will lead the charge to modernize the Government's approach to technology services. GSA will guide agencies through innovative and efficient technology deployment to meet their missions and fulfill the needs of Americans in a rapidly evolving and complex world.

#### ***Service – Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.***

GSA will transform administrative services in the Government by leading the consolidation of common mission-support processes and services across the Government. Implementing this best practice will make these services better, faster, and more affordable while allowing Government agencies to dedicate more resources to their missions.

GSA's unwavering commitment to a culture of high performance and customer focus is reinforced by the agency's values of service, accountability, and innovation that are the key to helping Federal partners deliver on their mission. When GSA does its job well, the American people win.

The FY 2021 budget requests \$537.1 million in discretionary budget authority for GSA programs. This request includes new investments in GSA's annual direct appropriations to support the transition of the U.S. Office of Personnel Management (OPM) to GSA, the transition of Government agencies to GSA's NewPay payroll software as a service (SaaS) solution, streamlining and modernizing the Federal rule-making process, hosting and infrastructure services, ongoing investments in modernizing IT systems across the Government, and the Presidential transition.

The Federal Acquisition Service (FAS) continues to support efficient and effective acquisition solutions across the Federal Government. In FY 2021, FAS will focus on improving the Federal Marketplace buying experience by enhancing FAS's acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness.

The request for the Federal Buildings Fund sets new obligational authority (NOA) at \$10.4 billion, equal to the level of expected collections. This zero-net budget authority request enables important investments in the Federal real property portfolio and proactively mitigates costs in leased facilities to ensure GSA continues to deliver the best value in real estate to our partners across the Government.

U.S. General Services Administration  
Summary of the FY 2021 Request

**Summary of Appropriations**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<b>Federal Buildings Fund (FBF), New Obligational Authority</b>			
Construction and Acquisition	\$ 948,149	\$ 152,400	\$ 762,377
Repairs and Alterations	\$ 673,970	\$ 833,752	\$ 1,363,223
Rental of Space	\$ 5,418,845	\$ 5,497,561	\$ 5,725,464
Building Operations	\$ 2,244,118	\$ 2,372,817	\$ 2,537,311
Disaster Recovery	\$ 91,200	\$ -	\$ -
Transfer of Current Year Authority	\$ 120,000	\$ -	\$ -
<b>Sub-Total, New Obligational Authority</b>	<b>\$ 9,496,282</b>	<b>\$ 8,856,530</b>	<b>\$ 10,388,375</b>
<b>Annual Appropriations, Budget Authority</b>			
Government-wide Policy	\$ 60,000	\$ 64,000	\$ 65,843
Operating Expenses	\$ 49,440	\$ 52,440	\$ 49,440
Former Presidents	\$ 4,796	\$ 3,851	\$ 3,915
Civilian Board of Contract Appeals	\$ 9,301	\$ 9,301	\$ 9,625
Federal Citizen Services Fund	\$ 55,000	\$ 55,000	\$ 58,400
Office of the Inspector General	\$ 65,000	\$ 67,000	\$ 69,000
Asset Proceeds and Space Management Fund	\$ 25,000	\$ -	\$ 31,000
Technology Modernization Fund	\$ 25,000	\$ 25,000	\$ 150,000
Working Capital Fund	\$ -	\$ -	\$ 90,000
<b>Sub-Total, Annual Appropriations</b>	<b>\$ 293,537</b>	<b>\$ 276,592</b>	<b>\$ 527,223</b>
<b>Additional Annual Appropriations, Budget Authority</b>			
Environmental Review Improvement Fund	\$ 6,070	\$ -	\$ -
Presidential Transition	\$ -	\$ -	\$ 9,900
Pre-Election Activities	\$ -	\$ 9,620	\$ -
<b>Sub-Total, Authorization Required</b>	<b>\$ 6,070</b>	<b>\$ 9,620</b>	<b>\$ 9,900</b>
<b>OPM Discretionary Appropriation</b>			
<b>Salaries and Expenses Total</b>	<b>\$ 132,172</b>	<b>\$ 145,130</b>	<b>\$ 147,322</b>
Salaries & Expenses	\$ 118,172	\$ 131,130	\$ 138,511
IT Modernization S&E No-Year	\$ 14,000	\$ 14,000	\$ 8,811
<b>Trust Fund Annual Total</b>	<b>\$ 133,483</b>	<b>\$ 154,625</b>	<b>\$ 147,609</b>
<b>Sub-Total, OPM Discretionary Appropriation</b>	<b>\$ 265,655</b>	<b>\$ 299,755</b>	<b>\$ 294,931</b>
<b>OPM Office of Inspector General Discretionary Appropriation</b>			
Salaries & Expenses - OIG	\$ 5,000	\$ 5,000	\$ 5,000
Trust Fund Annual - OIG	\$ 25,265	\$ 25,265	\$ 29,458
<b>Sub-Total, OIG Discretionary Appropriation</b>	<b>\$ 30,265</b>	<b>\$ 30,265</b>	<b>\$ 34,458</b>
<b>Total Gross Budget Authority</b>	<b>\$10,091,809</b>	<b>\$ 9,472,762</b>	<b>\$ 11,254,887</b>

Note: ERIF funds reported in this table were transferred and merged with the Federal Permitting Improvement Steering Council in FY 2020, in accordance with P.L. 116-93.

## **Managing Federal Real Estate**

GSA's FY 2021 budget request supports a robust capital program, allowing the Public Buildings Service (PBS) to fund mission-critical construction, repair, and alterations projects. This stabilizes PBS's building services and administrative costs without compromising service and support to tenant agencies. The FY 2021 request highlights strategic capital investments that achieve both immediate value, by improving safety and utilization, and also long-term value by allowing for an accelerated reduction in costly leased space.

PBS's execution of its Real Estate Investment and Savings Strategy in FY 2021 will be a primary focus for the delivery of real estate solutions to Federal agencies and will provide savings to the American taxpayer. Full execution of this strategy is projected to reduce future Federal spending on leased space by several billion dollars. The strategy consists of three components:

- Footprint optimization;
- Lease cost avoidance; and
- PBS resource optimization and productivity.

There are significant opportunities across the PBS portfolio where capital investment can be used to achieve long-term savings. Investment in major building improvements, new construction, and consolidation projects will accelerate the reduction of space by increasing space utilization and consolidation opportunities. The primary driver of savings in the PBS portfolio is reducing the amount of space that the Government occupies in leased facilities. In order to improve utilization and consolidation of leases, it is imperative that GSA has access to capital funds to invest in Government-owned properties that will make this transition successful.

During the period from FY 2019 through FY 2023, 60 percent of PBS leases will expire. This creates a unique opportunity to restructure this lease portfolio and meet agency facility needs at a significantly reduced cost over the life of the replacement leases (i.e. 15 to 20 years). In FY 2018, PBS initiated the Lease Cost Avoidance Plan to replace these leases and restructure the PBS portfolio. PBS established a lease cost avoidance goal of reducing FBF obligations by approximately \$4.7 billion over the duration of these lease contracts. This new approach to PBS leasing was incorporated into the Real Estate Investment and Savings Strategy in FY 2019.

PBS is evaluating resource needs across the organization to ensure that staff are in place and equipped to make the plan successful. Strategic investment in human capital — specifically expertise in lease contracting, construction management, and cost estimating — will ensure that staff expertise is aligned with the opportunity to capitalize on upcoming lease expirations.

PBS resource optimization and productivity is designed to improve the efficiency with which PBS will deliver all of its programs by leveraging talent and improving processes and tools. This effort will plan for the workforce of the future, shift human capital and align the budget to mission needs, and ensure that PBS is focusing on high-value work.

## **Efficient and Effective Acquisition Solutions**

GSA is committed to delivering service, innovation, and value through efficient operations, market expertise, and proactive partnerships with customer agencies and private sector vendors. Generating economies of scale is the cornerstone of GSA's acquisition solutions, enabling us to negotiate better prices. Every day, GSA helps its customers make smart purchasing decisions to acquire the goods and services they need.

GSA is dedicated to improving the contract vehicles, services, and products provided to Federal agencies, military, State, and local entities. GSA makes access to the Government market easier, faster, and less costly to socio-economic providers by designing and delivering solutions that meet customers' current needs and anticipate their future requirements.

GSA is focused on improving the Federal Marketplace buying experience by enhancing FAS's acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness. In FY 2021, the focus around the Federal Marketplace effort entails improving the data underlying product and service search capabilities, assessing the proof of concept on commercial buying, and expanding implementation of the FAS-wide acquisition life-cycle management system. In addition, there is an ongoing effort to optimize the Multiple Award Schedules program by eliminating duplicate Special Item Numbers, thereby reducing the burden on industry and customer agency confusion as to which contract to use.

GSA leads high-impact efforts such as the Commercial Platforms initiative, which will procure commercial products through commercial e-commerce portals for the purposes of enhancing competition, expediting procurement, enabling market research, assisting supply chain risk management, and ensuring reasonable pricing of commercial products. The program will be implemented in phases with the objective of enabling Government-wide use of such portals.

## **Innovative Technology**

Technology is critical to how agencies accomplish their missions and serve the public. It is at the core of running mission-support operations, safeguarding critical information, and analyzing program data for agency decision making. Agencies are tasked with achieving an array of critical goals involving enhanced IT security, greater use of cloud-based services, and the overall consolidation and modernization of IT networks. GSA is well-positioned to help agencies meet these goals.

GSA offers the full spectrum of technology assistance, including experts who assess system design, apply user-centered research and design techniques common in the private sector, and ensure alignment with agency needs.

GSA drives more efficient and innovative Government procurement of technology services. GSA will improve technology procurements at customer agencies through acquisition consulting

and assistance by identifying and incorporating best practices in technology acquisition, offering hands-on assistance to agencies during the acquisition process, and sharing the skills and knowledge developed within GSA across the Federal workforce.

The FAS Information Technology Category (ITC) is improving the customer agency experience by providing access to quality products and services through multiple contract vehicles. These vehicles provide access to small businesses and high-quality, innovative suppliers. These contracts will shape and lead future IT category management efforts as well as facilitate Government-wide IT modernization. ITC goals are to be a catalyst for customer mission success and to shape Government-wide IT acquisition.

ITC makes buying and managing commercial off-the-shelf SaaS easier for agencies by improving existing sales channels. Improvements to IT acquisition platforms will provide agency customers the tools and expertise needed to shorten procurement cycles, ensure compliance, and obtain best value for innovative technology products, services, and solutions.

The Telecommunications subcategory within the ITC is focused on the successful transition of Government agencies to the Enterprise Infrastructure Solutions (EIS) contract. The EIS contract is expected to rapidly improve cybersecurity capabilities, introduce Software Defined Networking in Federal agency networks and serve as a vehicle to help agencies achieve Federal IT modernization goals in the telecommunications and enterprise network space. Transitioning to EIS affects more than \$2 billion in annual business volume and impacts 228 Federal agencies and other Government entities. Agencies currently rely on the expiring Networx and Local Service Agreement contracts for mission-critical services such as telecommunications, network connectivity, and cybersecurity solutions. These services must be successfully transitioned before the contracts expire to avoid mission-impacting gaps in service.

The FAS Assisted Acquisition Services (AAS) portfolio offers customized acquisition, project management and financial management services for large and complex projects at the best value to the Government. AAS' highly trained contracting, project, and financial management professionals provide direct assistance to partner agencies on the Government's complex IT and cybersecurity challenges.

GSA offers platforms and services that assist agencies in using modern IT tools and practices, including moving to the cloud, authentication and authorization services, system modernizations, and tools to communicate with the public.

As part of the Federal Citizen Services Fund, the Cloud Portfolio's mission is to make cloud computing easy, secure, and the default IT solution for Federal agencies. The Cloud Portfolio does this through creating: (1) a broad marketplace of approved Government and private sector products and platforms; (2) best practices guidance for using the cloud; and (3) promotion of collaboration through the creation of a strong cross-Government cloud community. Both the marketplace of cloud providers and Government use of cloud will continue to grow during the next several years. The portfolio includes 147 FedRAMP-authorized cloud services offered by

117 cloud service providers, helping reduce duplicative and divergent security requirement costs to industry and the Government.<sup>1</sup>

In FY 2021, the Office of Information Integrity and Access, which is part of the Office of Government-wide Policy (OGP), will establish a new emerging technology policy function to investigate and assess the impact of new and emerging technology (e.g., artificial intelligence, Internet of Things, continuous integration and continuous delivery, etc.) on the Government. This function will support the development of policy and standards in technology to help drive consistent implementation.

The Technology Transformation Services (TTS) within FAS enables the transformation of the way Government agencies build, buy, and share technology. In addition, TTS uses modern methodologies and technologies to assist Federal agencies in improving the public's experience with the Government. TTS helps agencies make their services more accessible, efficient, and effective by building and providing technology applications, platforms, processes, personnel, and software solutions to Federal agencies. TTS will continue to build the foundation for the Government's digital transformation with a focus on putting users first; building, sharing, and using open source code; and improving shared platforms and security.

Within TTS, its Centers of Excellence (CoEs) are pairing agencies across the Government with Federal subject-matter experts and industry partners to modernize IT infrastructure, increase data-driven decisions, and create positive experiences for citizens and customers. The CoEs focus on enterprise-wide modernization by engaging agencies on the following functional areas: Cloud Adoption, Contact Center, Customer Experience, Data Analytics, and Infrastructure Optimization. At the end of FY 2018, the CoEs started implementation of modernization projects at the U.S. Department of Agriculture (USDA) and began a discovery phase at the U.S. Department of Housing and Urban Development (HUD). In FY 2019, the CoEs continued the implementation phase at USDA and the discovery phase at HUD, as well as worked on engagements with the Office of Personnel Management and Consumer Product Safety Commission. The CoEs will continue partnering with agencies in FY 2020 and FY 2021 to drive better value by helping agencies modernize their IT, make data-driven decisions, and improve user experience.

The Technology Modernization Fund (TMF) will continue to provide up-front funding for IT projects to move agencies from antiquated legacy systems to more secure modern platforms. The TMF Board, chaired by the Federal Chief Information Officer, selects proposals with the greatest impact, strongest business case, and highest likelihood of success. The GSA TMF Program Management Office will continue to help agencies design and strengthen their project proposals as well as assist in monitoring and overseeing the projects selected for funding by the board. Through the use of this innovative funding tool, agencies will move to more secure and efficient IT systems and infrastructure, such as cloud-enabled technologies and shared services, reducing technical debt and improving mission delivery. In its first year of operation,

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<sup>1</sup> For up-to-date numbers, please visit <https://marketplace.fedramp.gov/>.

the board has reviewed more than three dozen project proposals from Federal agencies requesting more than \$446 million and has approved nine modernization projects totaling \$88 million in project awards.

In FY 2019, the Office of the Chief Financial Officer established the Robotics Process Automation Division, which required realigning resources to increase the impact of robotic process automation (RPA) at GSA. The Robotics Process Automation Division deployed more than 30 automations that equate to 70,000 hours of recaptured work hours across GSA, procured and is in the process of standing up an RPA enterprise platform that will allow running unattended automations, and launched the Federal RPA Community of Practice (CoP) to help other agencies start their RPA programs. The CoP hosted knowledge sharing, mentoring, and webinar events for employees across Government, including its more than 750 members representing 50 Federal agencies and will be publishing an RPA Playbook. By FY 2021, GSA plans to introduce Intelligent Automation that will allow for more advanced automation solutions within the enterprise platform. These tools will help drive efficiencies, achieve the goal of deploying 60 automations and realizing 125,000 hours of workload reduction across GSA in the following year, and launch the first automation to be utilized across government. GSA is also planning to create efficiencies through the RPA COP, which will standardize Government-wide policies surrounding emerging technologies.

In fiscal year 2019, Congress passed the 21st Century Integrated Digital Experience Act to improve the digital experience for government customers and reinforce existing requirements for federal public websites. GSA will be prioritizing modernizing its websites and digital services as required by the 21st Century Integrated Digital Experience Act, to the extent possible, within the level of resources requested.

Lastly, GSA is requesting an administrative provision to update the language related to the “Major equipment acquisitions and development activity” under the Working Capital Fund. GSA’s current authority is limited to using that funding for the acquisition of equipment, automated data processing systems, and financial management and management information systems for the implementation of the Chief Financial Officers Act of 1990. Given the shift in the IT environment in recent years to an “as a service” model, this administrative provision will allow GSA to fund investments such as the regular upgrade of our financial systems, new budget system implementation, and GSA’s migration to the NewPay payroll solution in accordance with the current, most preferred and cost effective way of doing business.

### **Expanded Shared Services**

The FY 2021 budget supports GSA’s fourth strategic goal — to design and deliver expanded shared services within GSA and across the Government — and the Administration’s Cross-Agency Priority Goal, Sharing Quality Services. This includes investments in OGP’s Office of Shared Solutions and Performance Improvement (OSSPI), and activities by GSA’s new Quality Services Management Office (QSMO) to provide civilian HR transaction services and technology for compensation and benefits processing, personnel action processing,

performance management, learning, and other services required by agencies to manage their workforce efficiently. These initiatives are in support of the Administration's goal to reduce the footprint of redundant technology and processes while increasing customer satisfaction with mission-support services.

In FY 2018, OGP created OSSPI by merging the Office of Executive Councils and the Unified Shared Services Management Office into a single organization. OSSPI leverages data, subject-matter expertise, and its authority to convene key stakeholder groups to improve the delivery of shared services and provide program management for the Sharing Quality Services Cross-Agency Priority Goal. This role is crucial to manage the governance model to ensure the voice of the customer has the opportunity to influence the shared service strategy.

In support of GSA's QSMO designation for payroll and time and attendance, the FY 2021 Budget requests \$20 million in appropriations to begin transitioning employees serviced by Federal payroll shared service providers (SSPs) to the NewPay payroll solution and to retire the legacy applications upon completion of the implementation. This request is based on an estimated transition cost of \$200 per employee moved to the NewPay payroll solution, with additional resources to cover contingency costs associated with implementing the transition.

Over the last decade, there have been no significant investments in modernizing the Federal legacy payroll systems and applications, some of which are in their fourth decade of operation. With the ever-evolving and escalating cyber threats that the Federal Government faces, the inability to implement current security best practices, including data encryption and multi-factor authentication, make the legacy systems vulnerable to malicious cyber activity. The lack of interoperability across systems requires significant efforts and manual processes for employee and agency transfers between shared services providers. The legacy applications are not cost effective to maintain, and sufficient reserves have not been established for ongoing modernization and enhancements to legacy applications.

The Government-wide NewPay initiative will move the Federal Government from legacy payroll processing technology to cloud-based SaaS technology, which will reduce costs, significantly improve security posture, increase user experience and service, and allow for better management of overall resources related to payroll processing. With on-demand scaling for processing, secure storage, and network capacity, the NewPay program will enable infrastructure consolidation, eliminate functional redundancies, reduce operations and maintenance for continuity of operations, and optimize computing and hosting resources. The NewPay products will also allow for a fully integrated process leading to quicker adoption of policy changes. By driving standardization and leveraging the scale of the Federal Government, the NewPay program will enable agencies to refocus resources, both human and fiscal, on core mission priorities.

In addition to expanding payroll services, GSA and OMB are working together to transition the collaboration and information-sharing capabilities of MAX.gov shared services to GSA beginning in FY 2021.

MAX.gov grew out of OMB's need to securely collaborate with agency budget offices and manage budget data, and is currently managed by OMB and the Budget Line of Business. Over the past 10 years the usage of MAX.gov has grown far beyond the budget community – MAX.gov now provides shared services including secure collaboration, data collection, analytics, and authentication services to over 250,000 people across the Federal Government.

Moving MAX.gov capabilities to GSA will increase the scalability and sustainability of these critical services, and will better align them with GSA's strategic objectives to expand Government-wide shared services and lead technology modernization initiatives. To support this effort, in FY 2020 GSA and OMB will conduct a full evaluation of the MAX.gov platform to determine the budget, costs, governance, and migration or replacement timeline, as well as strategies for transitioning these MAX.gov shared services capabilities to GSA.

### **Delivering Government Solutions in the 21st Century**

In June 2018, the White House released a plan to reorganize and reshape the Federal Government entitled, "Delivering Government Solutions in the 21st Century; Reform Plan and Reorganization Recommendations." The plan outlined a major proposal to reorganize OPM, merging certain functions with GSA. GSA also proposes establishing the Federal Capital Revolving Fund as outlined in the reform plan. In addition, GSA has several reform efforts underway, including Government-wide motor vehicle fleet consolidation, improving procurement in the Federal Marketplace, and a Government-to-Citizens initiative.

### **Reorganizing the U. S. Office of Personnel Management**

The 2.1 million-person civilian workforce represents one of the Federal Government's larger investments and one with great impact on governmentwide operations. Like any large organization, the Federal Government is only as effective as its people. To address serious shortcomings in the areas of hiring, retention, and performance management, the Executive Branch needs a workforce management structure that elevates personnel strategy and policy, allows for a holistic view of its human capital, and continually optimizes the human resources transactional services necessary to administer one of the largest workforces in the world. To address long-standing workforce management issues, the Administration's June 2018 Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations included a proposal to merge all of OPM's transactional and consultative services (e.g., those within Human Resources Solutions (HRS), Retirement Services, and Healthcare & Insurance) into GSA. In FY 2020, the National Academy of Public Administration will be conducting a study analyzing the benefits and consequences of OPM merging with GSA. The 2021 President's Budget reflects the end-state organizational structure and resources necessary to achieve this reorganization of OPM, contingent upon the enactment of authorizing

legislation. This budget request includes justification for a direct appropriation to fund transition costs (discussed further in the Working Capital Fund section), covering the reorganization of OPM functions.

Except for moving a small policy function to the Executive Office of the President, OPM will be moved over to GSA as a third Service for human capital functions, making it a natural fit with GSA's current Services: the Public Buildings Service and the Federal Acquisition Service.

By transferring key OPM functions into GSA, GSA can systematically identify and implement measures that effectively improve service delivery and efficiently use taxpayer dollars while ensuring minimal disruption for affected employees and Federal agency customers who rely on a number of OPM services. Moving HRS to GSA will create a unified human capital services delivery organization for the Federal Government, and it will accelerate and expand GSA and HRS' collective ability to provide these services to all agencies across the Government. Consolidating the IT operations of GSA and OPM will enable the Federal Government to leverage economies of scale and GSA's advanced technology posture, improve modernization efforts and security, and rationalize systems to gain efficiencies. Lastly, moving remaining OPM functions such as retirement and health and insurance services to GSA will provide the opportunity to create an end-to-end portfolio of personnel services via GSA's shared services infrastructure.

Overall, this effort will provide GSA with the opportunity to design and deliver expanded shared services, in alignment with GSA's existing strategic plan. By combining GSA's expertise in contracting and mission support, and delivering shared services with OPM's human capital expertise, GSA can improve performance, create efficiency, and save taxpayer money. GSA sees this as an opportunity to address duplicated tasks and shift its focus, where appropriate, to higher value work. This effort will be a big step toward ensuring GSA is delivering exceptional, modern solutions across the Federal Government at the best value for the taxpayer.

**OPM Budget by Fund**

(Dollars in thousands)

OPM Budget Authority	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
<b>Discretionary Appropriation</b>	<b>\$ 265,655</b>	<b>\$ 299,755</b>	<b>\$ 294,931</b>
<b>Salaries and Expenses Total</b>	<b>\$ 132,172</b>	<b>\$ 145,130</b>	<b>\$ 147,322</b>
Salaries & Expenses	\$ 118,172	\$ 131,130	\$ 138,511
IT Modernization S&E No-Year	\$ 14,000	\$ 14,000	\$ 8,811
<b>Trust Fund Annual Total</b>	<b>\$ 133,483</b>	<b>\$ 154,625</b>	<b>\$ 147,609</b>
<b>Mandatory Administrative Authorities</b>	<b>\$ 59,187</b>	<b>\$ 66,956</b>	<b>\$ 68,695</b>
<b>Trust Fund Mandatory Authority</b>	<b>\$ 59,187</b>	<b>\$ 66,956</b>	<b>\$ 68,695</b>
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$ 49,180	\$ 56,472	\$ 57,673
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$ 5,989	\$ 7,226	\$ 8,502
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$ 1,978	\$ 1,036	\$ 1,082
FERCCA (P.L. 106-265) - Retirement	\$ 2,040	\$ 2,222	\$ 1,439
<b>Revolving Fund</b>	<b>\$ 1,692,777</b>	<b>\$ 857,238</b>	<b>\$ 928,728</b>
<b>Advance and Reimbursements</b>	<b>\$ 10,195</b>	<b>\$ 169,255</b>	<b>\$ 167,959</b>
<b>OIG Discretionary Appropriation</b>	<b>\$ 30,265</b>	<b>\$ 30,265</b>	<b>\$ -</b>
Salaries & Expenses - OIG	\$ 5,000	\$ 5,000	\$ -
Trust Fund Annual - OIG	\$ 25,265	\$ 25,265	\$ -
<b>OPM Total</b>	<b>\$ 2,058,079</b>	<b>\$ 1,423,469</b>	<b>\$ 1,460,313</b>

**Good Accounting Obligation in Government Act**

GSA is working to meet the requirements of the GAO-IG Act. GSA's most recent report for the period from April 1, 2019 to September 30, 2019 on outstanding audit recommendations can be found on the GSA website: <https://www.gsa.gov/reference/reports/budget-performance/administrators-semiannual-management-report>

## **Federal Capital Revolving Fund**

The Administration recognizes that the Government must have modern facilities to carry out agency missions and serve the American people. The inability to secure sufficient, timely funding to execute the most expensive civilian real property capital transactions often results in project cost escalation and costly leases.

To address this, in June 2018 the Administration proposed the creation of a new funding mechanism for the most expensive civilian real property projects that is functionally similar to the capital budgets that States employ. The proposal would establish a mandatory revolving fund, the Federal Capital Revolving Fund (Fund), for the acquisition of federally owned civilian real property to the extent that the project is designated in advance in appropriations acts, with agencies making discretionary annual repayments to the fund for the cost of the project over 15 years. This proposal to capitalize the Federal Capital Revolving Fund is supported within the FY 2021 budget, providing \$10 billion for the Fund. The Fund would be housed within GSA, and Congress can use the fund to finance capital projects for any civilian agency. The U.S. Government Accountability Office (GAO) has conducted frequent reviews of real property acquisition methodologies and challenges encountered with funding large projects. In 2014, GAO supported a similar approach to this proposal; however, the Administration's proposal provides even more flexibility and cost savings opportunities than those identified by GAO.

## **Real Property Disposal Authority**

In addition to investing in Federal real property, the Administration proposes to provide GSA with new authorities related to the disposal of excess property. The expanded authority will allow the GSA to assist agencies in identifying, preparing and divesting real property prior to the agency declaring a property excess. Currently, agencies do not always complete these types of activities because agencies must fund the activities from their limited resources. This new authority will reduce the Federal footprint by providing the funding required to assess and prepare potential excess properties for disposal. Funds expended under this expanded authorization will be reimbursed from the proceeds of sale.

**Request for New Obligational Authority**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<b>Total Revenues</b>	<b>\$ 9,963,888</b>	<b>\$ 10,203,596</b>	<b>\$ 10,388,375</b>
<b>Federal Buildings Fund (FBF), New Obligation Authority</b>			
Construction and Acquisition	\$ 948,149	\$ 152,400	\$ 762,377
Repairs and Alterations	\$ 673,970	\$ 833,752	\$ 1,363,223
Rental of Space	\$ 5,418,845	\$ 5,497,561	\$ 5,725,464
Building Operations	\$ 2,244,118	\$ 2,372,817	\$ 2,537,311
Disaster Recovery	\$ 91,200	\$ -	\$ -
Transfer of Current Year Authority	\$ 120,000	\$ -	\$ -
<b>Total New Obligation Authority</b>	<b>\$ 9,496,282</b>	<b>\$ 8,856,530</b>	<b>\$ 10,388,375</b>
FBF Net Budget Authority	\$ (467,606)	\$ (1,347,066)	\$ -

**FY 2020 Capital Investment Program**

(Dollars in Thousands)

**CONSTRUCTION AND ACQUISITION Program:**

<b>Executive Agencies</b>	<b>\$ 459,000</b>
<b>New Construction or Building Acquisition</b>	<b>\$ 166,117</b>
<b>Land Ports of Entry</b>	<b>\$ 99,707</b>
<b>Remediation</b>	<b>\$ 37,553</b>
<b>New Obligational Authority, CONSTRUCTION AND ACQUISITION Program</b>	<b>\$ 762,377</b>

**REPAIRS AND ALTERATIONS Program:**

<b>Non Prospectus (Basic) Repairs and Alterations Program</b>	<b>\$ 372,673</b>
<b>Special Emphasis Programs</b>	<b>\$ 112,500</b>
<b>Major Repairs &amp; Alterations</b>	<b>\$ 878,050</b>
<b>New Obligational Authority, REPAIRS AND ALTERATIONS Program</b>	<b>\$ 1,363,223</b>
<b>Total New Obligational Authority, Capital Investment Program</b>	<b>\$ 2,125,600</b>

U.S. General Services Administration  
 Summary of the FY 2021 Request

**GSA Annual Appropriations**

Annual Appropriations, Request for New Budget Authority  
 (Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<b>Regular Annual Appropriations, Budget Authority</b>			
Government-wide Policy	\$ 60,000	\$ 64,000	\$ 65,843
Operating Expenses	\$ 49,440	\$ 52,440	\$ 49,440
Former Presidents	\$ 4,796	\$ 3,851	\$ 3,915
Civilian Board of Contract Appeals	\$ 9,301	\$ 9,301	\$ 9,625
Federal Citizen Services Fund	\$ 55,000	\$ 55,000	\$ 58,400
Office of the Inspector General	\$ 65,000	\$ 67,000	\$ 69,000
Asset Proceeds and Space Management Fund	\$ 25,000	\$ -	\$ 31,000
Technology Modernization Fund	\$ 25,000	\$ 25,000	\$ 150,000
Working Capital Fund	\$ -	\$ -	\$ 90,000
<b>Sub-Total, Regular Annual Appropriations</b>	<b>\$ 293,537</b>	<b>\$ 276,592</b>	<b>\$ 527,223</b>
<b>Additional Annual Appropriations, Budget Authority</b>			
Environmental Review Improvement Fund	\$ 6,070	\$ -	\$ -
Presidential Transition	\$ -	\$ -	\$ 9,900
Pre-Election Activities	\$ -	\$ 9,620	\$ -
<b>Subtotal, Additional Annual Appropriations</b>	<b>\$ 6,070</b>	<b>\$ 9,620</b>	<b>\$ 9,900</b>
<b>Total Discretionary Appropriated BA</b>	<b>\$ 299,607</b>	<b>\$ 286,212</b>	<b>\$ 537,123</b>

Note: ERIF funds reported in this table were transferred and merged with the Federal Permitting Improvement Steering Council in FY 2020, in accordance with P.L. 116-93.

**GSA Total Obligations by Object Classification**  
(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
11.1 Full-time permanent	\$ 1,185,726	\$ 1,257,343	\$ 1,329,761
11.3 Other than full-time permanent	\$ 25,491	\$ 6,949	\$ 6,977
11.5 Other personnel compensation	\$ 24,740	\$ 26,880	\$ 29,106
11.8 Special personnel service payments	\$ 2,610	\$ 1,408	\$ 1,390
12.1 Civilian personnel benefits	\$ 413,114	\$ 411,018	\$ 430,772
13.0 Benefits for former personnel	\$ 1,319	\$ 4,171	\$ 4,400
21.0 Travel and transportation of persons	\$ 25,944	\$ 18,533	\$ 18,734
22.0 Transportation of things	\$ 15,156	\$ 20,643	\$ 19,051
23.1 Rental payments to GSA	\$ 68,010	\$ 61,181	\$ 55,747
23.2 Rental payments to others	\$ 5,680,415	\$ 5,498,020	\$ 5,725,785
23.3 Communications, utilities, and misc. charges	\$ 1,892,221	\$ 1,932,257	\$ 1,565,105
24.0 Printing and reproduction	\$ 2,365	\$ 2,936	\$ 2,959
25.1 Advisory and assistance services	\$ 12,018,225	\$ 15,171,868	\$ 15,618,172
25.2 Other services from non-Federal sources	\$ 80,956	\$ 71,856	\$ 159,109
25.3 Other goods and services from Federal sources	\$ 861,658	\$ 840,248	\$ 864,129
25.4 Operation and maintenance of facilities	\$ 1,991,618	\$ 1,578,674	\$ 1,612,190
25.5 Research and development contracts	\$ 14	\$ -	\$ -
25.6 Medical Care	\$ -	\$ 89	\$ 91
25.7 Operation and maintenance of equipment	\$ 225,303	\$ 157,400	\$ 167,996
25.8 Subsistence and support of persons	\$ -	\$ 149	\$ 112
26.0 Supplies and materials	\$ 1,339,942	\$ 1,324,957	\$ 1,358,832
31.0 Equipment	\$ 2,629,027	\$ 2,932,289	\$ 3,051,076
32.0 Land and structures	\$ 1,168,067	\$ 2,105,190	\$ 1,729,311
33.0 Investment and Loans	\$ -	\$ -	\$ -
41.0 Grants, subsidies, and contributions	\$ 37	\$ -	\$ -
42.0 Insurance claims and indemnities	\$ 1,987	\$ 698	\$ 698
43.0 Interest and dividends	\$ 34,527	\$ 30,853	\$ 31,878
44.0 Refunds	\$ 6	\$ -	\$ -
91.0 Unvouchered	\$ (1)	\$ -	\$ -
94.0 Financial Transfers	\$ -	\$ 30,000	\$ 325,000
<b>99.0 Total Obligations</b> .....	<b>\$ 29,688,478</b>	<b>\$ 33,485,608</b>	<b>\$ 34,108,383</b>
<i>Subtotal, PC&amp;B</i> .....	\$ 1,653,001	\$ 1,707,769	\$ 1,802,406
<i>Subtotal, Non-labor</i> .....	\$ 28,035,477	\$ 31,777,839	\$ 32,305,977
<i>Environmental Review Improvement Fund</i>	\$ 5,029	\$ -	\$ -
<i>Presidential Transition</i>	\$ -	\$ -	\$ 9,900
<i>Pre-Election Activities</i>	\$ -	\$ 9,095	\$ 525

Note: ERIF funds reported in this table were transferred and merged with the Federal Permitting Improvement Steering Council in FY 2020, in accordance with P.L. 116-93.

*U.S. General Services Administration  
Summary of the FY 2021 Request*

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**OPM Total Obligations by Object Classification**

(Dollars in Thousands)

	<b>FY 2020 Enacted</b>	<b>FY 2021 Request</b>
Personnel Compensation	\$ 137,641	\$ 132,226
Personnel Benefits	\$ 47,230	\$ 44,492
Travel and transportation of person	\$ 1,496	\$ 951
Transportation of things	\$ 65	\$ 68
Communications, utilities and rent	\$ 30,765	\$ 44,022
Printing and Reproduction	\$ 1,128	\$ 750
Other Services	\$ 78,924	\$ 68,239
Supplies and Materials	\$ 1,143	\$ 588
Equipment	\$ 1,363	\$ 3,595
<b>Total Object Class</b>	<b>\$ 299,755</b>	<b>\$ 294,931</b>
FTE	1490.3	1396.1

**GSA Total FTE**

	FY 2019 Actual			FY 2020 Enacted			2021 Request		
	Direct	Reimb.	Total	Direct	Reimb.	Total	Direct	Reimb.	Total
<b>Annual Appropriations</b>									
Office of Government-wide Policy	128	24	152	148	40	188	162	40	202
Operating Expenses	197	12	209	218	16	234	215	16	231
Civilian Board of Contract Appeals	31	0	31	41	0	41	41	0	41
Federal Citizen Services Fund	67	0	67	71	0	71	71	0	71
Office of Inspector General	297	3	300	310	3	313	310	3	313
<b>Subtotal, Annual Appropriations</b>	<b>724</b>	<b>39</b>	<b>763</b>	<b>792</b>	<b>59</b>	<b>851</b>	<b>799</b>	<b>59</b>	<b>858</b>
<b>Revolving Funds</b>									
Federal Buildings Fund	4,858	270	5,128	5,210	270	5,480	5,269	270	5,539
Technology Modernization Fund	2	0	2	4	0	4	6	0	6
Acquisition Services Fund	0	3,229	3,229	0	3,420	3,420	0	3,591	3,591
Capital Revolving Fund	0	0	0	0	0	0	0	0	0
Working Capital Fund	0	1,871	1,871	0	2,021	2,021	0	2,052	2,052
<b>Subtotal, Revolving Funds</b>	<b>4,860</b>	<b>5,370</b>	<b>10,230</b>	<b>5,214</b>	<b>5,711</b>	<b>10,925</b>	<b>5,275</b>	<b>5,913</b>	<b>11,188</b>
<b>Permanent Budget Authority</b>									
Transportation Audits	32	0	32	37	0	37	36	0	36
<b>Subtotal, Permanent Budget Authority</b>	<b>32</b>	<b>0</b>	<b>32</b>	<b>37</b>	<b>0</b>	<b>37</b>	<b>36</b>	<b>0</b>	<b>36</b>
<b>GSA TOTAL</b>	<b>5,616</b>	<b>5,409</b>	<b>11,025</b>	<b>6,043</b>	<b>5,770</b>	<b>11,813</b>	<b>6,110</b>	<b>5,972</b>	<b>12,082</b>

**OPM Total FTE**

	FY 2020 Enacted	FY 2021 Request
<b>Salaries and Expenses</b>	<b>726.8</b>	<b>656.4</b>
<b>Trust Fund Annual</b>	<b>763.5</b>	<b>739.6</b>
<b>Trust Fund Mandatory Authority</b>	<b>489.0</b>	<b>448.2</b>
5 U.S.C. § 8348 (a)(1)(B) - Retirement	456.0	416.1
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	15.0	17.3
5 U.S.C. § 9004(f)(B) - Long-Term Care	6.0	4.8
FERCCA (P.L. 106-265) - Retirement	12.0	10.0
<b>Revolving Fund</b>	<b>648.0</b>	<b>704.0</b>
<b>Advances &amp; Reimbursements</b>	<b>137.0</b>	<b>127.6</b>
<b>OIG Discretionary Total</b>	<b>154.0</b>	<b>175.0</b>
Salaries & Expenses - OIG	20.0	21.0
Trust Fund Annual - OIG	134.0	154.0
<b>OPM Total</b>	<b>2,918.3</b>	<b>2,850.9</b>

U.S. General Services Administration  
 Summary of the FY 2021 Request

**Explanation of Changes, Federal Buildings Fund**  
 (New Obligational Authority, Dollars in Thousands)

	Construction and Acquisition	Repairs and Alterations	Rental of Space	Building Operations	TOTAL
<b>FY 2020 Enacted</b>	<b>\$ 152,400</b>	<b>\$ 833,752</b>	<b>\$ 5,497,561</b>	<b>\$ 2,372,817</b>	<b>\$ 8,856,530</b>
Change in Construction for Executive Agencies	\$ 459,000				\$ 459,000
Change in New Construction or Building Acquisition	\$ 166,117				\$ 166,117
Change in Construction of LPOE	\$ (52,693)				\$ (52,693)
Change in Construction Remediation	\$ 37,553				\$ 37,553
Change in Basic R&A program		\$ (9,384)			\$ (9,384)
Change in Line-Item R&A program		\$ 426,355			\$ 426,355
Change in Special Emphasis programs		\$ 112,500			\$ 112,500
Annualization of remaining FY 2020 Program Changes			\$ 198,073		\$ 198,073
FY 2020 Unobligated Balance Used to Fund FY 2021 Requirements			\$ 38,682		\$ 38,682
Rental Rate Increases			\$ 20,117		\$ 20,117
Lump Sum Payments for real estate taxes and lease buyouts			\$ 91,076		\$ 91,076
Lease Cancellations			\$ (123,347)		\$ (123,347)
Lease Expansions (other than indefinite)			\$ 3,302		\$ 3,302
Change in Base Building Cost				\$ 61,777	\$ 61,777
Change in Other/ Miscellaneous Building Cost				\$ (5,032)	\$ (5,032)
Change in PBS Administrative Cost				\$ 51,838	\$ 51,838
Change in Other / Miscellaneous PBS Administrative Cost				\$ (471)	\$ (471)
Change in Other Funding Sources				\$ 56,382	\$ 56,382
FY 2021 Program Changes					\$ -
<b>FY 2021 Request</b>	<b>\$ 762,377</b>	<b>\$ 1,363,223</b>	<b>\$ 5,725,464</b>	<b>\$ 2,537,311</b>	<b>\$ 10,388,375</b>

**Explanation of Changes, GSA Annual Appropriations  
(Budget Authority, Dollars in Thousands)**

	Government-wide Policy		Operating Expenses		Civilian Board of Contract Appeals		Former Presidents		Federal Citizen Services Fund		Inspector General		Technology Modernization Fund		Asset Proceeds and Space Management Fund		Working Capital Fund		Pre-Election Activities		Presidential Transition		Total	
	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request	FTE	Request
<b>FY 2020 Request</b>	148	\$ 64,000	218	\$ 52,440	41	\$ 9,301	0	\$ 3,851	71	\$ 55,000	310	\$ 67,000	4	\$ 25,000	0	\$ -	0	\$ -	0	\$ 9,620	0	\$ -	792	\$ 286,212
<b>Program Increases:</b>																								
OPM Transition.....																								
NewPay Migration.....																								
Presidential Transition.....																								
Personnel Compensation and Benefits.....																								
Travel and Transportation.....																								
Printing and Reproduction.....																								
Rent.....																								
Operation and maintenance of facilities.....																								
Supplies and materials.....																								
Operation and maintenance of equipment.....																								
Contractual Services.....																								
Sharing Quality Services and Management Standards Coordination.....																								
Governmentwide Standards Development and Maintenance for Real Property and Travel.....																								
Office of Regulations Management Office (operations).....	1	\$ 1,200																						
Agency support for HR 4174 Evidence-Based Policy Making.....	6	\$ 1,000																						
Enhance the SF tool for increased governmentwide training needs.....	2	\$ 600																						
Increase support for policies and implementation of emerging technologies.....	3	\$ 50																						
Increase support for development of Acquisition Policy.....	2	\$ 1,500																						
Data Center Optimization PMO.....																								
Net Increases to Shared Services Overhead Costs.....																								
Net Increases to Acquisition Services Fund Allocation.....																								
Net Decreases to Shared Services Overhead Costs.....																								
Net Decreases to Acquisition Services Fund Allocation.....																								
Time Faving for Transfers.....																								
Program Increases.....																								
<b>Program Decreases:</b>																								
Personnel Compensation and Benefits.....																								
Travel and transportation of persons.....																								
Communications and Utilities.....																								
Supplies, Materials, and Equipment.....																								
Salaries and Benefits.....																								
Working Capital Fund Bill decrease from FY 2020 request.....																								
Technology Business Management (TBM) PMO.....																								
Front Office reduction to allocate funding to specific program areas.....																								
Agency IT Modernization Engagement.....																								
OSC FTE realigned to WCF.....																								
Reduction to non-recr funds for System for Awards Management.....																								
Reduction for Pre-Election Activity.....																								
<b>FY 2021 Request</b>	162	\$ 65,843	215	\$ 49,440	41	\$ 9,625	0	\$ 3,915	71	\$ 56,400	310	\$ 69,000	6	\$ 150,000	0	\$ 31,000	0	\$ 90,000	0	\$ -	0	\$ 9,900	805	\$ 537,123

## Information Technology Resources

GSA's IT integration policy establishes a consistent approach to achieve the goal of providing innovative, collaborative, and cost-effective IT solutions while delivering excellent customer services to GSA's Federal partners and agencies.

The FY 2021 budget request includes key investments that will strengthen GSA's IT enterprise architecture, which will allow GSA IT to shift more resources from running legacy applications and infrastructure to investing in efforts to grow and transform GSA's business IT systems. When applicable, GSA uses incremental development practices in these efforts.

As part of the GSA governance process, the Chief Information Officer and Chief Financial Officer have reviewed and approved all major IT investments in the FY 2021 budget request, ensuring sufficient IT resources and appropriate budget estimates. The agency has developed and implemented its plan to ensure that all baseline Federal Information Technology Acquisition Reform Act responsibilities are in place.

## Information Technology Budget by Fund

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Request	FY 2021 Request
<b>GSA Budgets</b>			
Working Capital Fund	\$ 351,613	\$ 329,988	\$ 323,660
Acquisition Services Fund	\$ 244,176	\$ 254,366	\$ 181,584
Operating Expenses	\$ 796	\$ 716	\$ 716
Federal Buildings Fund	\$ 54,878	\$ 59,960	\$ 61,503
Office of Government-wide Policy	\$ 22,818	\$ 25,325	\$ 23,235
Federal Citizen Services Fund	\$ 37,880	\$ 36,741	\$ 35,127
Acquisition Workforce Fund	\$ 4,202	\$ 4,459	\$ 4,459
Office of Inspector General	\$ 6,427	\$ 10,496	\$ 8,161
Transportation Audits	\$ 451	\$ 746	\$ 1,038
<b>Sub-Total GSA Budget</b>	<b>\$ 723,241</b>	<b>\$ 722,797</b>	<b>\$ 639,483</b>
Other Agencies	\$ 85,208	\$ 99,217	\$ 94,855
<b>Total GSA and Other Agencies</b>	<b>\$ 808,449</b>	<b>\$ 822,014</b>	<b>\$ 734,338</b>

**U.S. General Services Administration**

**FEDERAL BUILDINGS FUND**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Federal Buildings Fund / Public Buildings Service Overview .....	3
Real Estate Investment and Savings Strategy.....	4
Footprint Optimization .....	5
Lease Cost Avoidance.....	6
PBS Resource Optimization and Productivity .....	7
FBF Funding Trends .....	8
Revenue Collected vs. Reinvested .....	8
Net Budget Authority - 14 Year History .....	10
Investment in Infrastructure .....	10
Resources, New Obligational Authority, and Fund Balance .....	12
Crosswalk of FY 2019 New Obligational Authority .....	15
Indefinite Authority .....	15
Obligations by Object Classification .....	16
Obligations by Program.....	17
FY 2021 Capital Program - Construction and Acquisition of Facilities .....	17
Program Description.....	17
Program Strategy .....	17
Construction and Acquisition of Facilities.....	19
New Construction - Project Descriptions.....	20
FY 2021 Capital Program - Repair and Alterations.....	24
Program Description.....	24
Program Strategy .....	24
Major Repairs and Alterations Projects.....	26
Repair and Alterations - Project Descriptions.....	27
Minor (Basic) Repairs and Alterations Nationwide .....	37
Special Emphasis Program .....	38
Rental of Space .....	40
Program Description.....	40
Rental of Space, Explanation of Changes .....	41
Program Strategy .....	41
Building Operations.....	44
Program Description.....	44
Building Operations, Explanation of Changes.....	45
Program Strategy .....	46
Explanation of Programmatic Changes.....	46

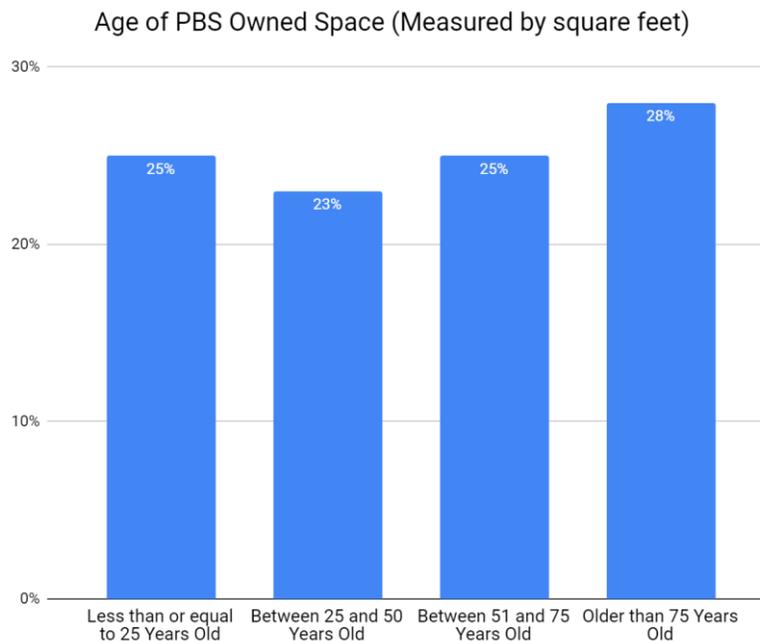
Reimbursable Program .....50  
Appropriations Language .....51

## Federal Buildings Fund / Public Buildings Service Overview

The U.S. General Services Administration's (GSA) Public Buildings Service (PBS) fiscal year (FY) 2021 budget request reflects its commitment to make sound and cost-effective reinvestments in the Federal infrastructure that will reduce long-term costs and the growing backlog of critical repairs and renovations that are necessary in Federal facilities. PBS is requesting \$10.4 billion in New Obligational Authority (NOA), which represents a full reinvestment of the estimated FY 2021 revenue and collections expected to be deposited into the Federal Buildings Fund (FBF).

In FY 2019, PBS initiated the Real Estate Investment and Savings Strategy to maximize GSA's efforts to drive long-term cost savings through real estate footprint optimization, lease cost avoidance, and resource optimization. This effort has already produced savings, and the FY 2021 budget request will allow PBS to more efficiently and effectively deliver services to its customers.

The PBS-owned portfolio consists of over 1,500 Federal buildings, which require investment to improve utilization and reduce the Government's dependency on leasing space from the private sector. The chart below shows the distribution of over 180 million square feet of PBS-owned buildings relative to the age of its Federal buildings. The average age of these buildings is nearly 47 years old. Approximately 53 percent of PBS's portfolio is over 50 years old (94.7 million square feet), and 28 percent is in buildings over 75 years old (49.5 million square feet).



This budget request highlights specific capital investments that achieve immediate value by improving safety and utilization of Federal buildings, and long-term savings generated by reducing the Government's dependence on leasing privately owned space. Support of PBS's full FY 2021 budget request, including the \$2.1 billion requested for capital investments, will enable

GSA to implement this strategy. In addition, the FY 2021 budget request supports GSA's commitment to providing facilities that support the diverse missions of Federal agencies in a safe and cost-effective manner.

PBS has balanced its FY 2021 capital investment between New Construction and Repairs and Alterations. The \$2.1 billion request includes \$1.4 billion to improve space utilization, safety, and condition of Government-owned assets and \$762 million in new construction projects to support the critically important missions of agencies and environmental remediation requirements. These strategic capital investments will provide cost-effective real estate solutions that improve national security and assist in securing our nation's borders. Reinvestment and space optimization in GSA's owned real estate portfolio will provide a funding source for future investments.

The FY 2021 budget requests a \$2.5 billion investment in Building Operations to maintain service and support for Federal tenants, and prudent management of real estate including leased and owned space.

The budget requests \$5.7 billion to meet the Government's commitments in space that PBS leases from private industry on behalf of Federal customers. Rental of Space costs are the largest expense for the FBF (58 percent), and therefore represent a significant savings opportunity.

Saving taxpayer money through better management of Federal real estate is a top priority for GSA. As detailed below, full implementation of the PBS Real Estate Investment and Savings Strategy will generate significant savings by reducing GSA's real estate footprint, reducing the costs of lease extensions, and optimizing existing infrastructure and resources.

### **Real Estate Investment and Savings Strategy**

PBS's execution of the Real Estate Investment and Savings Strategy in FY 2021 will be a primary focus for the delivery of real estate solutions to Federal agencies and will provide savings to the American taxpayer. Full execution of this strategy is projected to reduce future Federal spending on leased space by several billion dollars. The strategy consists of three components:

- **Footprint Optimization**
- **Lease Cost Avoidance**
- **PBS Resource Optimization and Productivity**

By highlighting these elements of the FY 2021 budget request, GSA intends to provide Congress with data and analysis that highlight the long-term costs and savings potential of different courses of action. The investment decisions reflected in this strategy, with a focus on leases and investment in current infrastructure, will optimize the return on investment to agencies and taxpayers for many years.

GSA welcomes a discussion about the opportunities to reduce future Federal spending on GSA's real estate portfolio while meeting the facility requirements of Federal agencies.

### **Footprint Optimization**

GSA optimizes its footprint by focusing on real estate solutions in owned assets. When space can be made available through consolidation or improvements to existing owned space, that space becomes available to house tenants from expiring leases. This is the ideal solution to reduce the Government's reliance on leased space and optimize our footprint. However, given the limited inventory and investment capital to modernize current assets, GSA at times leverages leased space from private lessors to meet agency needs.

There are significant opportunities across the PBS portfolio where capital investment can be used to achieve long-term savings. Investment in major building improvements, new construction, and consolidation projects will accelerate the reduction of space by increasing space utilization and consolidation opportunities. The primary driver of savings in the PBS portfolio is reducing the amount of space that the Government occupies in leased facilities. In order to improve utilization and consolidation of leases, it is imperative that GSA has access to capital funds to invest in Government-owned properties that will make this transition successful.

GSA's FY 2021 Capital Investment Program supports projects that provide effective and sustainable workplace solutions for Federal agencies at the best value for the American taxpayer. When evaluating a client need, GSA considers options to (1) repair and alter an existing building; (2) construct a new facility; or (3) lease property. After an assessment of options and a review of client needs across the Government portfolio, GSA will put forth a recommendation that provides the best option for Government agencies and taxpayers.

Investing in owned assets will generate significant savings over the long term. The projects below are examples of real estate consolidations within GSA-owned facilities and consolidations from leased space to federally owned facilities in the current request. These three projects require a \$123.7 million investment that is included in a 30-year cost of ownership estimate of \$340 million, while the total cost of leasing over 30 years is \$602 million. This represents an opportunity to reduce future Federal spending by approximately \$261.9 million over the useful life of these projects.

<b>Investment versus Leasing Decision</b>				
<b>Proposed Project</b>	<b>FY 2021 Capital Investment Request</b>	<b>30-Year Cost of Ownership (including Capital Funding)</b>	<b>30-Year Cost of Leasing Option</b>	<b>30-Year Benefit of Capital Investment</b>
ICE Consolidation at 201 Varick Street Federal Office Building	\$ 66,650,000	\$ 204,811,166	\$ 405,731,114	\$ 200,919,948
Department of Education Consolidation at Jacob K. Javits Federal Building	\$ 10,811,000	\$ 32,839,156	\$ 66,802,236	\$ 33,963,080
Tacoma Union Station	\$ 46,300,000	\$ 102,380,467	\$ 129,471,835	\$ 27,091,368
<b>Total</b>	<b>\$ 123,761,000</b>	<b>\$ 340,030,789</b>	<b>\$ 602,005,185</b>	<b>\$ 261,974,396</b>

*\*The 30-Year Present Value R&A includes the project's FY 2021 Budget Request cost and the projected 30-year maintenance and operational costs of these assets, resulting in the total true cost of the new assets.*

### **Lease Cost Avoidance**

During the period from FY 2019 through FY 2023, approximately 60 percent of PBS's leases will expire. This creates a unique opportunity to restructure PBS's lease portfolio and meet agency facility needs at a significantly reduced cost over the life of the replacement leases. In FY 2018, PBS initiated the Lease Cost Avoidance Plan to replace these leases and restructure the PBS portfolio. PBS established a Lease Cost Avoidance goal of reducing FBF anticipated costs by approximately \$4.7 billion over the duration of these lease contracts. This new approach to PBS leasing was incorporated into the Real Estate Investment and Savings Strategy in FY 2019.

The Lease Cost Avoidance Plan consists of three elements. First, achieve below market rental rates by executing longer-term leases rather than short-term extension actions at escalated rates. Second, replace expiring leases with less square footage through space consolidations and moves to federally owned space. Third, increase the percentage of expiring leases that are replaced with long-term solutions from below 50 percent to 80 percent.

Short-term extensions of existing leases forgo an opportunity to reduce space and negotiate more favorable long-term rates or rent concessions. Increasing the lease replacement rate and reducing leased square footage is projected to reduce FBF anticipated costs by approximately \$4.7 billion over the duration of these lease contracts (majority are 15 to 20 years). These cost avoidances are not net of agency costs incurred to replicated space and move to replacement leases. With the execution of the LCAP launched in FY 2018, GSA is on a trajectory to realize

major cost avoidance for the taxpayer. By partnering with customer agencies to shape the demand for leased space and improving lease execution practices, GSA avoided approximately \$2 billion in full term lease costs through FY 2019 and is projecting to avoid approximately \$4.7 billion in total full term lease costs by FY 2023.

In addition to achieving favorable rates in our leasing program, PBS has the opportunity to reduce the lease footprint through capital investments. One example of a capital investment that enables tenant consolidations from leased to Federally owned space is a \$50 million project proposed in the FY 2020 President's budget. That project funds the restacking and consolidation of existing tenants (the Census Bureau and the Bureau of Economic Analysis) in Suitland, Maryland, within the Suitland Federal Center which will create space to house the long term needs of the Bureau of Labor Statistics. This one-time GSA capital investment of \$50 million provides the three agencies with a modernized work environment, greater utilization of Government-owned space and the elimination of \$26 million in annual private sector lease payments. Agencies will bring move and replication costs to the project to fund necessary tenant improvement costs.

This is representative of the value that GSA can add to the Federal real estate portfolio with the support of Congress and the effective investment of our funds.

### **PBS Resource Optimization and Productivity**

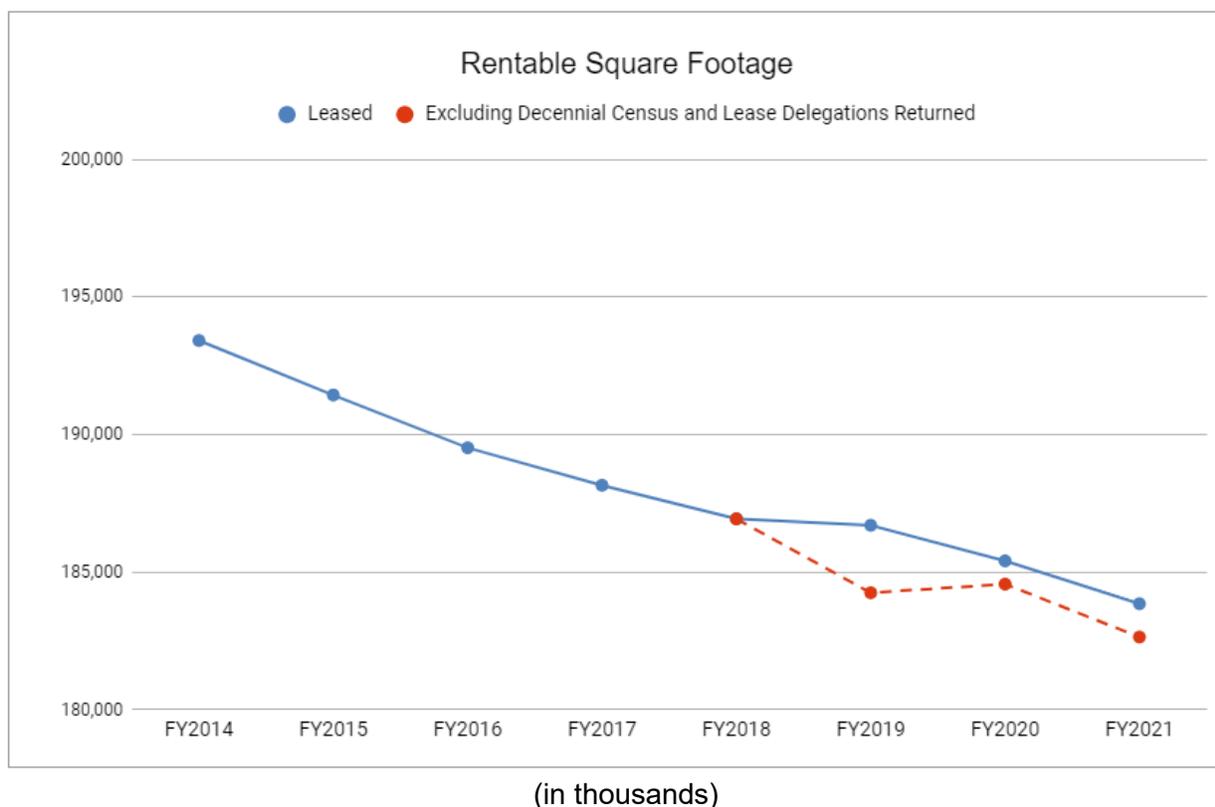
The PBS Productivity initiative will improve the efficiency with which PBS delivers all programs by leveraging talent and improving processes and tools. This effort will plan for the workforce of the future, shift human capital, and ensure that PBS is focusing on high-value work.

PBS is evaluating resource needs across the organization to ensure that staff are in place and equipped to make the plan successful. Strategic investment in human capital, specifically expertise in lease contracting, construction management, and cost estimating will ensure that staff expertise is aligned with the opportunity to capitalize on upcoming lease expirations.

In addition, PBS is evaluating Robotics Process Automation and process standardization that will increase capacity that can be redirected to higher-value work. Nationally standardized business processes will deliver greater efficiencies, enhance operational performance, and improve customer experience.

### **Reduction of Leased Space Trend**

The overall PBS portfolio is projected to include 183.4 million square feet of owned space and 183.5 million square feet of leased space in FY 2021. A major driver of future anticipated savings is the ability to reduce the amount of leased space in the portfolio. The chart below shows the significant reduction in the leased footprint since FY 2014. GSA will continue to drive this reduction through optimization of the owned inventory and pursuit of consolidation opportunities within the lease inventory emphasizing higher utilization rates.



### Delegated Space Returning to GSA

Part of the leased inventory in FY 2021 is attributed to delegated facilities returning to GSA from other Federal agencies. During FY 2021, approximately 556,000 rentable square footage (RSF) of leased space will be returned to the GSA inventory, resulting in a \$17.5 million increase in the NOA requirement for Rental of Space. The majority of the FY 2021 returned space is from the Department of Homeland Security, U.S. Securities and Exchange Commission, and Department of Health and Human Services. Although this increases the NOA requirement in FY 2021, the additional costs were previously paid by other agencies to lessors. These costs will now be recovered in GSA’s rent collections from customers, and do not represent an overall net cost increase for leased space within the Federal inventory. The returned delegations enable GSA to better manage the leasing of space for agencies, allowing agencies to focus on mission-oriented work.

### FBF Funding Trends

#### Revenue Collected vs. Reinvested

The FY 2021 budget request recognizes that GSA has collected \$6.2 billion in prior-year revenue and will collect an additional \$1.4 billion in FY 2020 for a total of \$7.6 billion in funding that is currently not available to GSA as NOA. This represents a trend in which GSA is collecting

commercial equivalent rent and is precluded from reinvesting all of these funds into its aging Federal facilities. In FY 2021, GSA is again requesting zero net budget authority in order to adequately preserve and invest in the Federal Government's real estate assets. This will reverse the recent trend of the FBF being unable to invest the full amount of revenue collected to support the growing needs of the portfolio. Reduced budget authority impedes PBS's ability to fund critical repairs and improvements to the Federal inventory, resulting in avoidable increased costs due to delayed repairs and missed opportunities to consolidate space. When PBS is unable to adequately invest in its facilities, the inventory deteriorates in quality and decreases in value, inevitably requiring more extensive repairs and alterations in the future. This, in turn, pushes Federal agencies into more costly leased space. By funding GSA at reduced levels, the Government is unable to capitalize on opportunities to make smart investments in the Federal real estate portfolio that will result in greater efficiencies and lower costs.

When Congress established the FBF, it provided dedicated resources through statutorily identified commercial equivalent rent collections to maintain the nation's public buildings. This commonsense approach emulates private sector real estate best practices by reinvesting into PBS's current assets. Income generated by the FBF funds the activities of PBS, including Minor and Major Repairs and Alterations, New Construction activities, Building Operations, Rental of Space, and the administrative costs associated with these programs. As a quasi-revolving fund, the FBF is subject to annual congressional enactment of NOA, which supports or limits the use of revenues collected. As shown in the table below, the appropriations process generally provided funding authority at or above the level of collections prior to FY 2011.

**Net Budget Authority - 14 Year History**

(Dollars in Thousands)

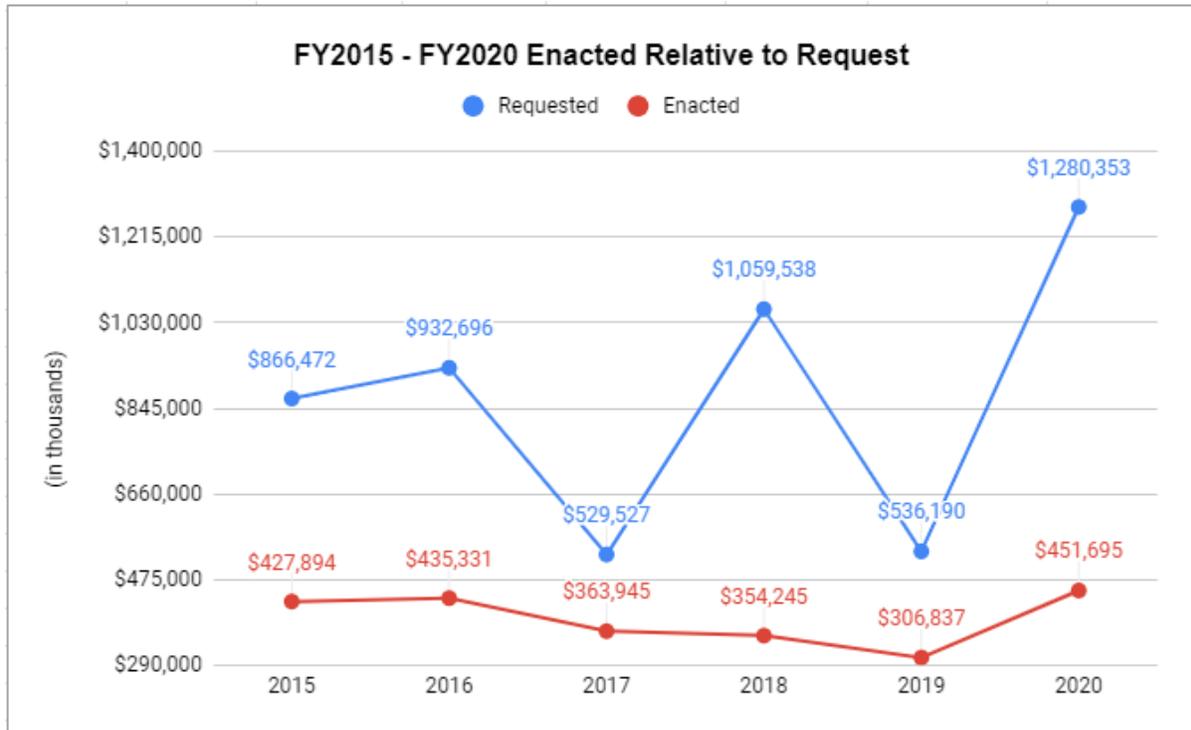
	<b>Presidents Budget Revenue Estimate</b>	<b>Enacted NOA</b>	<b>Net Budget Authority</b>
<b>FY2005</b>	\$ 7,158,277	\$ 7,217,043	\$ 58,766
<b>FY2006</b>	\$ 7,808,785	\$ 7,827,745	\$ 58,950
<b>FY2007</b>	\$ 7,844,979	\$ 7,598,426	\$ (203,215)
<b>FY2008</b>	\$ 7,916,272	\$ 8,012,414	\$ 146,219
<b>FY2009</b>	\$ 8,134,239	\$ 8,427,771	\$ 350,397
<b>FY2010</b>	\$ 8,222,539	\$ 8,443,585	\$ 287,406
<b>FY2011</b>	\$ 8,870,933	\$ 7,597,540	\$ (1,202,123)
<b>FY2012</b>	\$ 9,302,761	\$ 8,017,967	\$ (1,205,174)
<b>FY2013</b>	\$ 9,777,590	\$ 8,024,967	\$ (1,665,003)
<b>FY2014</b>	\$ 9,950,560	\$ 9,370,042	\$ (580,518)
<b>FY2015</b>	\$ 9,917,667	\$ 9,238,310	\$ (679,357)
<b>FY2016</b>	\$ 9,807,722	\$ 10,196,124	\$ 388,402
<b>FY2017</b>	\$ 10,178,339	\$ 8,845,147	\$ (1,348,192)
<b>FY2018</b>	\$ 9,950,519	\$ 9,214,414	\$ (736,105)
<b>FY2019</b>	\$ 10,083,751	\$ 9,496,282	\$ (587,560)
<b>FY2020</b>	\$ 10,203,596	\$ 8,856,530	\$ (1,347,066)

\*Net Budget Authority does not include rescission of prior year funding, transfers, or supplemental appropriations.

**Investment in Infrastructure**

From FY 2015 to FY 2020 GSA requested a total of \$5.2 billion in Major R&A authority and received \$2.3 billion, only 45 percent of the requested authority, despite having collected the requested funds through rent charged to agencies and other collections. Considering the scale of GSA's current portfolio, this FY 2021 request emphasizes GSA's requirement to reinvest in and provide appropriate stewardship for its current assets. The FY 2021 request recommends \$990.5 million for Major Repairs and Alterations of existing infrastructure.

U.S. General Services Administration  
Federal Buildings Fund



Major Repairs and Alterations	2015	2016	2017	2018	2019	2020
Requested	\$866,472	\$932,696	\$529,527	\$1,059,538	\$536,190	\$1,280,353
Enacted	\$427,894	\$435,331	\$363,945	\$354,245	\$306,837	\$451,695
% Enacted	49.38%	46.67%	68.73%	33.43%	57.23%	35.28%

**Resources, New Obligational Authority, and Fund Balance**

(Dollars in Thousands, excludes Indefinite Authority)

The PBS net zero budget authority request is outlined in the table below, showing the distribution of estimated revenue into each of the FBF budget activities as NOA. The following sections highlight each activity and how PBS will maximize the value of the budget authority.

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<b>Resources:</b>			
Available from prior year for reauthorization	\$ 5,582,073	\$ 6,260,833	\$ 7,607,899
Appropriation	\$ 91,200		
Transfer	\$ 119,954		
<b>Revenue from operations:</b>			
Rent	\$ 9,919,355	\$ 10,163,743	\$ 10,355,619
Miscellaneous	\$ 14,707	\$ -	\$ -
Outleasing	\$ 8,187	\$ 11,843	\$ 7,788
Retention of Proceeds (Sale of Real Property)	\$ 8,065	\$ 15,000	\$ 13,500
SSA/CDC/CMS Payments	\$ 13,528	\$ 13,010	\$ 11,468
<b>Subtotal, Revenue</b>	<b>\$ 9,963,842</b>	<b>\$ 10,203,596</b>	<b>\$ 10,388,375</b>
Total Resources Available	\$ 15,757,070	\$ 16,464,429	\$ 17,996,274
<b>New Obligational Authority:</b>			
Construction and Acquisition	\$ 948,149	\$ 152,400	\$ 762,377
Major Repairs and Alterations	\$ 317,588	\$ 451,695	\$ 990,550
Basic Repairs and Alterations	\$ 356,382	\$ 382,057	\$ 372,673
Rental of Space	\$ 5,418,845	\$ 5,497,561	\$ 5,725,464
Building Operations	\$ 2,244,118	\$ 2,372,817	\$ 2,537,311
Disaster Recovery	\$ 91,200		
Transfer of Current Year Authority	\$ 120,000		
<b>Total New Obligational Authority</b>	<b>\$ 9,496,282</b>	<b>\$ 8,856,530</b>	<b>\$ 10,388,375</b>
<b>Fund Balance:</b>			
Total Resources Available	\$ 15,757,070	\$ 16,464,429	\$ 17,996,274
Total New Obligational Authority	\$ (9,496,282)	\$ (8,856,530)	\$ (10,388,375)
Changes to Prior Year Authority	\$ (46)	\$ -	\$ -
Fund Balance (Available for Reauthorization)	\$ 6,260,833	\$ 7,607,899	\$ 7,607,899
<b>Net Budget Authority</b>	<b>\$ (467,606)</b>	<b>\$ (1,347,066)</b>	<b>\$ 0</b>

Note: FY19 Actual includes supplemental appropriations, transfers, and reprogramming.

**The requested funding includes:**

**(1) \$762 million for Construction and Acquisition of Facilities**, to provide funding for the following projects:

<b>CONSTRUCTION AND ACQUISITION OF FACILITIES SUMMARY OF FY 2021 PROGRAM (Dollars in Thousands)</b>	
	FY 2021 Request
<b>New Construction:</b>	
Washington, DC DHS Consolidation at St. Elizabeths	\$ 459,000
<b>Subtotal, Executive Agencies</b>	<b>\$ 459,000</b>
Cleveland, OH FBI Field Office	\$ 80,186
Oklahoma City, OK FBI Field Office	\$ 85,931
<b>Subtotal, New Construction or Building Acquisition</b>	<b>\$ 166,117</b>
Calexico West, CA U.S. Land Port of Entry Phase IIB	\$ 99,707
<b>Subtotal, Land Ports of Entry</b>	<b>\$ 99,707</b>
Kansas City, MO Hardesty Federal Complex Remediation	\$ 28,553
Washington, DC Southeast Federal Center Remediation	\$ 9,000
<b>Subtotal, Remediation</b>	<b>\$ 37,553</b>
<b>Total FY 2021 Construction and Acquisition of Facilities Program</b>	<b>\$ 762,377</b>

**(2) \$1.4 billion for Repairs and Alterations including \$373 million for Basic Repairs and Alterations,** and to provide funding for the following projects:

<b>REPAIRS AND ALTERATIONS SUMMARY OF FY 2021 PROGRAM (Dollars in Thousands)</b>	
	FY 2021 Request
	TOTAL
<b>Nonprospectus (Basic) Repairs and Alterations Program</b>	<b>\$ 372,673</b>
<b>Major Repairs and Alterations</b>	
New York, NY 201 Varick Street Federal Office Building	\$ 66,650
New York, NY Jacob K. Javits Federal Building	\$ 10,811
Chicago, IL Ralph H. Metcalfe Federal Building	\$ 124,447
Philadelphia, PA Philadelphia U.S. Custom House	\$ 91,965
Woodlawn, MD West High Low Rise	\$ 208,741
Tacoma, WA Tacoma Union Station	\$ 46,300
Cincinnati, OH Potter Stewart U.S. Courthouse	\$ 37,552
Indianapolis, IN Major General Emmett J. Bean Federal Center	\$ 42,132
Kansas City, MO Charles Evans Whittaker U.S. Courthouse	\$ 57,030
Indianapolis, IN Minton-Capehart Federal Building	\$ 18,450
Washington, DC - William Jefferson Clinton North/South Federal Buildings	\$ 48,677
Los Angeles, CA 11000 Wilshire Federal Building - East Annex	\$ 26,387
Kansas City, MO 8930 Ward Parkway	\$ 22,780
Austin, TX Austin Finance Center	\$ 36,442
Cleveland, OH Carl B. Stokes U.S. Courthouse	\$ 28,686
Multiple Locations, Southern Border LPOE Infrastructure Paving	\$ 11,000
<b>Subtotal, Major Repair and Alterations</b>	<b>\$ 878,050</b>
<b>Special Emphasis Programs</b>	
Consolidation Activities Program	\$ 50,000
Judiciary Capital Security Program	\$ 12,500
Fire Protection and Life Safety Program	\$ 50,000
<b>Subtotal, Special Emphasis Programs</b>	<b>\$ 112,500</b>
<b>Total FY 2021 Repairs and Alterations Program</b>	<b>\$ 1,363,223</b>

**(3) \$5.7 billion for Rental of Space,** to acquire and administer leasehold interests in privately owned facilities when federally owned space is not available or does not meet the specific requirements of tenant agencies. This amount funds annual rent for current leases, real estate tax and other one-time payments, and rent increases associated with replacement leases and expansion space.

**(4) \$2.5 billion for Building Operations,** to provide services for both federally owned and leased facilities as well as the administration and management of all PBS real property programs. Of the total amount requested in support of Building Operations, the Building Services allocation funds services and cost increases for cleaning, utilities, maintenance, and building services; the Salaries and Expenses allocation supports Public Building Service (PBS) personnel costs excluding reimbursable FTE, PBS-specific IT applications and PBSs contribution to the WCF.

In addition to the NOA requested in FY 2021, PBS projects \$1.4 billion of reimbursable services provided to and paid for by other agencies, including funding for 270 FTEs. PBS also projects

U.S. General Services Administration  
Federal Buildings Fund

\$207 million in permanent indefinite authority from leased expansion space, outleasing, energy rebates, and revenue from the sale of recyclable materials.

**Crosswalk of FY 2019 New Obligational Authority**

(Dollars in Thousands)

	P.L. 116-6 Enacted 2/15/2019	Approved Reprogramming/ Transfers	Total FY 2019 Enacted, Reprogramming/ Transfers	Indefinite Authority	FY 2019 Authority
<b>New Obligational Authority:</b>					
Construction and Acquisition	\$ 958,900	\$ (10,751)	\$ 948,149	\$ -	\$ 948,149
Major Repairs and Alterations	\$ 306,837	\$ 10,751	\$ 317,588	\$ 17,115	\$ 334,703
Minor Repairs and Alterations	\$ 356,382	\$ -	\$ 356,382	\$ 400	\$ 356,782
Disaster Recovery	\$ 91,200	\$ -	\$ 91,200	\$ -	\$ 91,200
Rental of Space	\$ 5,418,845	\$ -	\$ 5,418,845	\$ 103,844	\$ 5,522,689
Building Operations	\$ 2,244,118	\$ -	\$ 2,244,118	\$ 37,320	\$ 2,281,437
Non Expenditure Transfer	\$ -	\$ 120,000	\$ 120,000	\$ -	\$ 120,000
<b>Total, New Obligational Authority</b>	<b>\$ 9,376,282</b>	<b>\$ 120,000</b>	<b>\$ 9,496,282</b>	<b>\$ 158,679</b>	<b>\$ 9,654,960</b>

Notes:

1. Transfer from Construction and Acquisition toward Major Repairs and Alterations provided funding for the John W. McCormack U.S. Post Office and Courthouse in Boston, MA (\$10.751 million).
2. Transfer of \$120 million from Department of Homeland Security for St. Elizabeths enacted by P.L. 116-6.

**Indefinite Authority**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
<b>Repairs and Alterations:</b>			
Historical Outleasing	\$ 12,376	\$ 11,000	\$ 12,000
Energy Rebates	\$ 4,739	\$ 10,000	\$ 10,000
International Trade Center	\$ 400	\$ 4,080	\$ 4,080
Recycling	\$ -	\$ 700	\$ 700
<b>Total, Repairs and Alterations</b>	<b>\$ 17,515</b>	<b>\$ 25,780</b>	<b>\$ 26,780</b>
<b>Rental of Space: Leased Expansion Space</b>	<b>\$ 103,844</b>	<b>\$ 241,563</b>	<b>\$ 138,135</b>
<b>Building Operations:</b>			
International Trade Center - Building Services	\$ 31,096	\$ 31,591	\$ 35,531
International Trade Center - Salaries and Expenses	\$ 550	\$ 663	\$ 666
Cooperative Use Act - Outleasing	\$ 3,519	\$ 4,092	\$ 3,553
National Antenna Program	\$ 2,155	\$ 2,417	\$ 2,220
<b>Total, Building Operations</b>	<b>\$ 37,320</b>	<b>\$ 38,763</b>	<b>\$ 41,970</b>
<b>Total Indefinite Authority</b>	<b>\$ 158,679</b>	<b>\$ 306,106</b>	<b>\$ 206,885</b>

Note: Indefinite authorities are not included in reported resources or NOA.

### Obligations by Object Classification

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
11.1 Full-time, permanent.....	\$ 529,710	\$ 543,744	\$ 587,491
11.3 Other than full-time permanent.....	\$ 4,698	\$ 4,186	\$ 4,546
11.5 Other personnel compensation.....	\$ 12,254	\$ 14,579	\$ 15,825
11.8 Special personnel services payments.....	-\$ 139	\$ 2	\$ 2
12.1 Civilian personnel benefits.....	\$ 178,169	\$ 182,666	\$ 193,352
13.0 Benefits for former personnel.....	\$ 0	\$ 0	\$ 0
21.0 Travel and transportation of persons.....	\$ 10,059	\$ 12,702	\$ 11,031
22.0 Transportation of things.....	\$ 14	\$ 11	\$ 25
23.1 Rental payments to GSA	\$ 0	\$ 0	\$ 0
23.2 Rental payments to others.....	\$ 5,680,376	\$ 5,498,020	\$ 5,725,785
23.3 Communications and utilities.....	<u>\$ 393,125</u>	<u>\$ 388,344</u>	<u>\$ 405,339</u>
Subtotal, Rent, communications & utilities...	\$ 6,073,501	\$ 5,886,364	\$ 6,131,124
24.0 Printing and reproduction.....	\$ 294	\$ 168	\$ 184
25.1 Advisory and assistance services.....	\$ 543,094	\$ 464,485	\$ 457,878
25.2 Other services.....	\$ 75,921	\$ 61,930	\$ 59,904
25.3 Goods & services from Gov't accounts.....	\$ 422,002	\$ 423,451	\$ 436,876
25.4 Operation and maintenance of facilities.....	\$ 1,987,926	\$ 1,578,647	\$ 1,612,161
25.5 Other contractual services - Research and Development	\$ 14	\$ 0	\$ 0
25.6 Medical care.....	\$ 0	\$ 80	\$ 80
25.7 Operation and maintenance of equipment.....	<u>\$ 30,518</u>	<u>\$ 26,493</u>	<u>\$ 28,242</u>
Subtotal, Contractual services.....	\$ 3,059,474	\$ 2,555,086	\$ 2,595,141
26.0 Supplies and materials .....	\$ 7,947	\$ 9,028	\$ 9,185
31.0 Equipment.....	\$ 77,550	\$ 72,165	\$ 72,957
32.0 Land and structures.....	\$ 1,167,466	\$ 2,105,190	\$ 1,729,311
41.0 Grants, subsidies, and contributions.....	\$ 37	\$ 0	\$ 0
42.0 Insurance claims and indemnities.....	\$ 364	\$ 633	\$ 633
43.0 Interest and dividends.....	\$ 34,527	\$ 30,845	\$ 31,870
44.0 Refunds	\$ 6	\$ 0	\$ 0
94.0 Financial Transfers	-\$ 1	\$ 0	\$ 0
<b>99.9 Total Obligations.....</b>	<b>\$ 11,155,932</b>	<b>\$ 11,417,367</b>	<b>\$ 11,382,679</b>
Subtotal, PC&B.....	\$ 724,693	\$ 745,177	\$ 801,216
Subtotal, Non-labor.....	\$ 10,431,240	\$ 10,672,190	\$ 10,581,463

Note: The above total obligations include funds from carryover and prior year recoveries.

## Obligations by Program

(Dollars in Thousands)

	FY 2019 Actual		FY 2020 Plan		FY 2021 Plan		Increase/(Decrease) FY 2020 Enacted	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
<b>FTE and Obligations:</b>								
1. Construction and Acquisition		\$ 564,469		\$ 1,174,294		\$ 817,640		\$ (356,654)
2. Repairs and Alterations		\$ 667,528		\$ 916,768		\$ 897,209		\$ (19,559)
3. Installment Acquisition Payments		\$ -		\$ -		\$ -		\$ -
4. Construction of Lease Purchase Facilities		\$ -		\$ -		\$ -		\$ -
5. Pennsylvania Avenue Activities								
a) Repairs and Alterations		\$ -		\$ -		\$ -		\$ -
b) Building Operations - Building Services		\$ -		\$ -		\$ -		\$ -
c) Building Operations - Salaries and Expenses		\$ -		\$ -		\$ -		\$ -
6. International Trade Center								
a) Repairs and Alterations		\$ 445		\$ -		\$ -		\$ -
b) Building Operations - Building Services		\$ 33,581		\$ -		\$ -		\$ -
c) Building Operations - Salaries and Expenses		\$ 373		\$ -		\$ -		\$ -
7. Rental of Space		\$ 5,669,657		\$ 5,497,561		\$ 5,725,326		\$ 227,765
8. Building Operations	4,858	\$ 2,589,156	5,210	\$ 2,648,744	5,269	\$ 2,762,504		\$ 113,760
9. Reimbursable	270	\$ 1,585,369	270	\$ 1,180,000	270	\$ 1,180,000	-	\$ -
10. Disaster Recovery		\$ 45,352		\$ -		\$ -	-	\$ -
<b>Total FTE and Obligations</b>	<b>5,128</b>	<b>\$ 11,155,932</b>	<b>5,480</b>	<b>\$ 11,417,367</b>	<b>5,539</b>	<b>\$ 11,382,679</b>	<b>-</b>	<b>\$ (34,688)</b>

Note: The above total obligations include funds from carryover and prior year recoveries. FTE reported in the President's Budget Appendix for FY 2020 and FY 2021 does not include reimbursable FTE.

## FY 2021 Capital Program - Construction and Acquisition of Facilities

### Program Description

This activity provides for the construction or purchase of prospectus-level facilities, prospectus-level additions to existing buildings, and remediation. All costs directly attributable to site acquisition, construction, the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

### Program Strategy

The FY 2021 request of \$762 million for new construction is necessary to address the Real Estate Investment and Savings Strategy. The list of new construction projects was determined based on a GSA review of each project and rating its priority relative to other potential projects. The following factors were considered:

- Serving PBS's Partners: Agency priority and existing master plans;
- Responsible Asset Stewardship: Condition of facility being replaced including the building systems, security and functionality of the space, funds received to date, existing occupancy status and housing plan, and support of local and national portfolio plans;
- Delivering Better Value and Savings: Lease cost avoidance and return on investment; and
- Reducing the Federal Footprint: Space recapture and utilization rate improvement.

The FY 2021 Construction and Acquisition program request is \$762.4 million and reflects GSA's support of investments in border and homeland security projects, projects to improve the safety

and condition of government-owned assets, addressing known environmental liabilities, and activities in support of the Administration's direction to reduce the cost of operating the Federal government.

- At the request level, GSA will invest an additional \$459 million for the continued consolidation of the Department of Homeland Security (DHS) in the National Capital Region at the St. Elizabeths Campus. By bringing DHS Headquarters components into a single government-owned campus, DHS will avoid incurring additional costs for commercial leases and enable its employees to collaborate more readily in a secure working environment. To date appropriations to GSA for this consolidation have exceeded \$1.5 billion but since FY 2017, GSA's funding requests have gone unfunded. The original project has been delayed several years. Continued support of this vital project will result in halting further delays and allow the government to significantly reduce its DHS leased portfolio in the National Capital Region.
- GSA's request includes \$99.7 million for the land port of entry (LPOE) project at Calexico West, CA. This request will allow for the completion of the ongoing reconfiguration and expansion of the Calexico West LPOE. The reconfiguration and expansion of the existing LPOE facilities, which currently lack the infrastructure capacity to fulfill traffic demands and meet the latest security requirements, are critical for the Federal inspection agencies as they complete their missions of securing our Nation's borders.
- GSA also proposes \$80.2 and \$85.9 million respectively to acquire existing buildings or construct new Federal buildings for the Department of Justice, Federal Bureau of Investigation (FBI) field office operations in Cleveland, OH and Oklahoma City, OK. To date, the Government has been unable to come to agreement on acceptable rental terms for continuance of leased solutions. Federal ownership of the FBI Field offices in both of these locations are long term requirements and will replace costly build-to-suit leased solutions ensuring a more cost effective solution for the taxpayer. Federal purchase or construction will eliminate \$6 million and \$3 million in private sector lease payments annually, for a total of \$9 million.
- GSA also supports the ongoing remediation of the Southeast Federal Center (SEFC) in Washington, DC and the former Hardesty Federal Complex in Kansas City, MO and requests \$9 million and \$28.6 million respectively for the efforts. Remediation of extensive environmental contamination has been underway at SEFC for several years in compliance with a Consent Decree from the U.S. District Court in Washington, DC. While funding has been requested in FYs 2017 and 2019, it has not been received since FY 2010. GSA's FY 2019 budget included a request for approximately \$27 million to remediate the soil and ground water on the former Hardesty Federal Complex in Kansas City, MO. While appropriations were not provided as requested, GSA received approval to transfer \$3 million in FY 2019 appropriations to begin the remediation. This FY 2021 request represents the balance needed to complete the environmental remediation.

**Construction and Acquisition of Facilities**

(Dollars in Thousands)

	FUNDED TO DATE	ESTIMATED TOTAL PROJECT COST				FY 2021 REQUEST					
		SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
<b>New Construction:</b>											
Washington, DC DHS Consolidation at St. Elizabeths	\$ 1,591,000	\$ 6,722	\$ 260,134	\$ 2,412,537	\$ 155,216	\$ 2,834,609	\$ -	\$ 27,637	\$ 403,748	\$ 27,615	\$ 459,000
<b>Subtotal, Executive Agencies</b>	<b>\$ 1,591,000</b>	<b>\$ 6,722</b>	<b>\$ 260,134</b>	<b>\$ 2,412,537</b>	<b>\$ 155,216</b>	<b>\$ 2,834,609</b>	<b>\$ -</b>	<b>\$ 27,637</b>	<b>\$ 403,748</b>	<b>\$ 27,615</b>	<b>\$ 459,000</b>
Cleveland, OH FBI Field Office	\$ -	\$ 2,131	\$ 6,529	\$ 67,174	\$ 4,352	\$ 80,186	\$ 2,131	\$ 6,529	\$ 67,174	\$ 4,352	\$ 80,186
Oklahoma City, OK FBI Field Office	\$ -	\$ 3,000	\$ 6,355	\$ 71,400	\$ 5,176	\$ 85,931	\$ 3,000	\$ 6,355	\$ 71,400	\$ 5,176	\$ 85,931
<b>Subtotal, New Construction or Building Acquisition</b>	<b>\$ -</b>	<b>\$ 5,131</b>	<b>\$ 12,884</b>	<b>\$ 138,574</b>	<b>\$ 9,528</b>	<b>\$ 166,117</b>	<b>\$ 5,131</b>	<b>\$ 12,884</b>	<b>\$ 138,574</b>	<b>\$ 9,528</b>	<b>\$ 166,117</b>
Calexico West, CA U.S. Land Port of Entry Phase IB	\$ 312,849	\$ 5,000	\$ 23,036	\$ 353,476	\$ 31,044	\$ 412,556	\$ -	\$ 2,249	\$ 90,638	\$ 6,820	\$ 99,707
<b>Subtotal, Land Ports of Entry</b>	<b>\$ 312,849</b>	<b>\$ 5,000</b>	<b>\$ 23,036</b>	<b>\$ 353,476</b>	<b>\$ 31,044</b>	<b>\$ 412,556</b>	<b>\$ -</b>	<b>\$ 2,249</b>	<b>\$ 90,638</b>	<b>\$ 6,820</b>	<b>\$ 99,707</b>
Kansas City, MO Hardesty Federal Complex Remediation	\$ 3,000	\$ -	\$ 1,675	\$ 28,682	\$ 1,196	\$ 31,553	\$ -	\$ -	\$ 27,357	\$ 1,196	\$ 28,553
Washington, DC Southeast Federal Center Remediation	\$ 75,857	\$ -	\$ -	\$ 9,000	\$ -	\$ 84,857	\$ -	\$ -	\$ 9,000	\$ -	\$ 9,000
<b>Subtotal, Remediation</b>	<b>\$ 78,857</b>	<b>\$ -</b>	<b>\$ 1,675</b>	<b>\$ 37,682</b>	<b>\$ 1,196</b>	<b>\$ 116,410</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,357</b>	<b>\$ 1,196</b>	<b>\$ 37,553</b>
<b>Total FY 2021 Construction and Acquisition of Facilities Program</b>	<b>\$ 1,982,706</b>	<b>\$ 16,853</b>	<b>\$ 297,729</b>	<b>\$ 2,942,269</b>	<b>\$ 196,984</b>	<b>\$ 3,529,692</b>	<b>\$ 5,131</b>	<b>\$ 42,770</b>	<b>\$ 669,317</b>	<b>\$ 45,159</b>	<b>\$ 762,377</b>

**New Construction - Project Descriptions**

**California**

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**Calexico, CA Calexico West Land Port of Entry Phase IIB ..... \$99,707,000**

GSA proposes \$99,707 thousand for construction of Phase IIB of a two-phase project to reconfigure and expand the existing land port of entry (LPOE) in downtown Calexico, CA. The project includes new pedestrian processing and privately owned vehicle (POV) inspection facilities, a new head house to provide supervision and services to the non-commercial vehicle inspection area, new administration offices, and a parking structure. The expanded facilities will occupy both the existing inspection compound and the site of the former commercial inspection facility, decommissioned in 1996 when commercial traffic was redirected to the newly completed LPOE six miles east of downtown Calexico.

The existing LPOE is a pedestrian and vehicle inspection facility constructed in 1974. It comprises a main building and a decommissioned commercial inspection building. The project includes the creation of new pedestrian and POV inspection facilities and expansion of the port onto the site of the former commercial inspection facility. The commercial inspection operation was moved to Calexico East in 1996. POV inspection facilities will include expanded northbound inspection lanes, new southbound inspection lanes, and a parking structure. There will be new administration space, a new head house and design guide-mandated secondary inspection stations serving both northbound and southbound traffic. The project will be constructed in two phases.

The first phase included a head house, ten of the project's northbound POV inspection lanes, all southbound POV inspection lanes with temporary asphalt paving, and a bridge across the New River for southbound POV traffic. Due to enacted split funding of the second phase in FY 2019, Phase II has been broken further into two sub-phases: Phase IIA, funded in FY 2019, includes the remaining northbound POV lanes, expansion of the secondary inspection canopy, southbound POV inspection islands, booths, canopies and concrete paving, an administration building, an employee parking structure, and a vehicle seizure lot. The FY 2021 request for Phase IIB includes a pedestrian processing building with expanded northbound pedestrian inspection stations, demolition of legacy facilities, and significant earthwork.

The FY 2021 request is for Design (\$2,249 thousand), Construction (\$90,638 thousand) and Management and Inspection (\$6,820 thousand).

**District of Columbia**

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**Washington, DC DHS Consolidation at St. Elizabeths..... \$459,000,000**

GSA proposes \$459,000 thousand to continue the ongoing development of the Department of Homeland Security (DHS) consolidated Headquarters (HQ) at the St. Elizabeths Campus by

constructing a new headquarters facility for the DHS Intelligence & Analysis (I&A) currently located at the Nebraska Avenue Complex in Washington DC and parking in accordance with the established Master Plan. Additionally, design and construction of a new Federal building will be undertaken to house the headquarters operations of the DHS Immigration and Customs Enforcement (ICE), currently located at 500 12<sup>th</sup> Street, 801 Eye Street, NW and 1201 Maryland Avenue, as well as a portion of the Headquarters function of Customs and Border Protection (CBP) currently located in several leases in Washington, DC.

By bringing DHS headquarters components into a single government-owned campus, DHS will avoid incurring additional costs for commercial leases and enable its employees to collaborate more readily in a secure working environment. On the St Elizabeths West Campus, GSA and DHS previously completed the construction of the Munro Building occupied by the U.S. Coast Guard and the historic Center Building occupied by the Secretary of Homeland Security and the senior leadership team. GSA is currently undertaking the design and construction of a new facility to house the Headquarters of the Cybersecurity and Information Security Agency (CISA) currently located in more than nine leased locations in Northern Virginia.

The FY 2021 request is for Design (\$27,637 thousand), Construction (\$403,748 thousand) and Management and Inspection (\$27,615 thousand).

**Washington, DC Southeast Federal Center Remediation..... \$9,000,000**

GSA proposes \$9,000 thousand for the continued remediation of the Southeast Federal Center (SEFC). SEFC is a 53-acre site, in the southeast quadrant of the District of Columbia along the Anacostia River. Congress previously authorized the GSA to redevelop this property by entering into agreements with private entities to enhance the value of the site to the Federal Government.

Remediation of extensive environmental contamination has been underway at the site for several years to comply with a Consent Decree from the U.S. District Court in Washington, DC. GSA will continue to fund mitigation requirements related to a Consent Order from the Environmental Protection Agency pursuant to section 3013 of the Solid Waste Disposal Act, commonly referred to as the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6934, and the provisions of the development agreement with Forest City Washington. Compliance with the remediation requirements of the Consent Decree, the Consent Order and the development agreement are necessary to enable the site to be redeveloped and will continue until all of the remediation requirements have been satisfied.

The FY 2021 request is for Construction (\$9,000 thousand).

**Missouri**

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**Kansas City, MO Former Hardesty Federal Complex Remediation..... \$28,553,000**

GSA proposes \$28,553 thousand for remediation of soil and sediment on the former Hardesty Federal Complex, an 18-acre parcel located at 607 Hardesty Avenue, Kansas City, MO. While under Federal control, underground storage tanks deteriorated and fluids leaked into the soil and groundwater on the property and onto the adjoining residential parcels. The chemical trichloroethylene, commonly referred to as TCE, is the current source of the groundwater pollution.

The Kansas City Quartermaster Depot occupied this property from 1940 to 1953, with GSA assuming custody and control in 1960 from the Department of Defense. The former Hardesty Federal Complex was home to several federal agencies until the complex was vacated in the early 2000s and sold by GSA in 2011 through a public auction to the Hardesty Renaissance Economic Development Corporation, a Missouri non-profit corporation. Although the United States no longer owns the property, GSA is still responsible for the environmental remediation pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* GSA's obligations for the environmental remediation of the property are memorialized in an April 2014 Administrative Order on Consent and Agreement, Order No. HWP-2014-001, with the State of Missouri.

GSA received Congressional approval to transfer \$3,000 thousand of its FY 2019 appropriated funds to begin the design and remediation of the site. The FY 2021 request represents the funds needed to complete the remaining remediation.

The FY 2021 request is for Construction (\$27,357 thousand) and Management and Inspection (\$1,196 thousand).

**Ohio**

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**Cleveland, OH Federal Bureau of Investigation..... \$80,186,363**

GSA proposes, through acquisition of an existing building or construction, a new field office for the Department of Justice - Federal Bureau of Investigation (FBI) in Cleveland, OH. The FBI plays a vital law enforcement and national security role. The federally owned facility will provide continued housing for the FBI to accomplish its mission and provide significant long term savings to the American taxpayer. The current leased solution is far costlier than a federally owned solution and over the past several years, GSA has been unable to successfully complete a lease procurement at commercially-equivalent rental rates for this market. Further, because the current leased facility was build-to-suit, upfront tenant improvement costs were built into the rate. GSA entered into the original lease in 2002, at an annual rent cost \$4.4 million with approximately \$10 million in tenant improvement cost amortized into the initial 10 year lease term.

Those amortized costs are now paid off - leaving the Government's current rental rate far in excess of the local commercial market.

Government ownership of the FBI Field Office in Cleveland will address in part, the government's long term reliance on costly leases highlighted in the GAO report [GAO-08-197] that were the result of a series of complex decisions that were made more than two decades ago. The government entered into a number of FBI Field Office lease transactions with high rental rates and high Federal upfront costs in the early 2000s that are nearing their expiration dates, now resulting in limited competition and high costs at the time of replacement lease competition. Federal ownership of this proposed long term solution ensures that the FBI's law enforcement and national security needs are met in the most secure and cost effective manner possible.

The proposed acquisition or construction of an FBI Field office in Cleveland will reduce the Government's rental payment to the private sector by approximately \$6,000,000 annually.

The FY 2021 request is for Site (\$2,131), Design (\$6,529 thousand), Construction (\$67,174 thousand) and Management and Inspection (\$4,352 thousand).

## Oklahoma

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### **Oklahoma City, OH Federal Bureau of Investigation..... \$85,931,000**

GSA proposes through acquisition of an existing building or construction, a new field office for the Department of Justice - Federal Bureau of Investigation (FBI) Oklahoma City, OK. The FBI plays a vital law enforcement and national security role. The federally owned facility will provide continued housing for the FBI to accomplish its mission and provide significant long term savings to the American taxpayer. GSA has been unable to successfully complete a lease procurement at rental rates that are generally equivalent to the region's commercial market. Further, because the current leased facility was build-to-suit, upfront tenant improvement costs were built into the rate. GSA entered into the original lease in 1999 and amortized \$5.5 million in Government costs into the annual rent payments over the lease term. Those amortized costs are now paid off - leaving the Government's current rental rate far in excess of the local commercial market.

Government ownership of the FBI Field Office in Cleveland will address in part, the government's long term reliance on costly leases highlighted in the GAO report [GAO-08-197] that were the result of a series of complex decisions that were made more than two decades ago. The government entered into a number of FBI Field Office lease transactions with high rental rates and high Federal upfront costs in the early 2000s that are nearing their expiration dates , now resulting in limited competition and high costs at the time of replacement lease competition. Federal ownership of this proposed long term solution ensures that the FBI's law enforcement and national security needs are met in the most secure and cost effective manner possible.

The proposed acquisition or construction of an FBI Field Office in Oklahoma City will reduce the Government's rental payment to the private sector by approximately \$3,000,000 annually.

The FY 2021 request is for Site (\$3,000), Design (\$6,355 thousand), Construction (\$71,400 thousand) and Management and Inspection (\$5,176 thousand).

## **FY 2021 Capital Program - Repair and Alterations**

### **Program Description**

This activity provides for repairs and alterations of existing buildings as well as associated design and construction services. Protection of the Government's investment, the health and safety of building occupants, relocation of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Repairs and alterations to improve space utilization, address life safety issues, and prevent deterioration and damage to buildings, building support systems, and operating equipment are given priority.

### **Program Strategy**

The FY 2021 request of \$1.4 billion in Repairs and Alterations funding is necessary to address the Real Estate Investment and Savings Strategy, a portion of the identified needs of PBS's Federal inventory, which has an average age of 47 years. In the past nine fiscal years, many Basic and Major repairs and alterations were repeatedly deferred, including major repairs to malfunctioning elevators, replacement of obsolete electrical systems, updates to outdated fire alarm systems, seismic retrofits, and environmental abatement.

GSA prioritizes repairs and alterations projects based on established criteria. The following factors were considered:

- Serving PBS's Partners: Space consolidation and customer priorities;
- Reducing GSA's repair backlog: Project urgency and facility conditions;
- Promoting Savings and Economic Development: Project phase, lease cost avoidance, agency rent reduction, return on investment, payback period and market factors;
- Reducing the Federal Footprint: Space recapture and utilization rate improvement;
- Ensuring a Safe, Secure, and Responsible Work Environment: Code compliance, seismic and accessibility improvements, other life safety issues, and historic status; and,
- Asset Performance: Planned holding period for the asset and GSA's evaluation of the asset's contribution to the performance of the overall portfolio.

The FY 2021 request funds repair activities to ensure that existing infrastructure receives the investment needed to support partner agencies and cost saving consolidation activities within existing Federal facilities.

- PBS will invest \$878 million in major repairs and alterations projects. Funding for these

capital improvements in owned facilities (including the repair/replacement of outdated mechanical, electrical, fire and life safety, conveying, heating, ventilation and air conditioning (HVAC) systems and the correction of exterior and structural deficiencies) are critical to maintaining safe, secure and functional facilities where partner agencies can perform their mission. Proposed repairs and alterations will also facilitate improved asset utilization and lower costs for the American taxpayer.

- PBS will invest \$373 million in the Basic Repairs and Alterations program, investing in projects with a total cost below the current prospectus threshold of \$3.095 million. This program ensures that emerging needs are met, mitigating the need for more costly projects. Over 70 percent of these funds are annually allocated to basic serviceability items to keep chillers and boilers running, elevators in working order, and facilities safe for occupancy.
- PBS requests \$112.5 million for the Special Emphasis Programs: Consolidation Activities, Fire Protection and Life Safety, and Judicial Capital Security.

**Major Repairs and Alterations Projects**  
(Dollars in Thousands)

	FUNDED TO DATE	ESTIMATED TOTAL PROJECT COST			FY 2021 Request			TOTAL
		DESIGN	CONSTRUCTION	M&I	DESIGN	CONSTRUCTION	M&I	
<b>Nonprospectus (Basic) Repairs and Alterations Program</b>		\$ -	\$ 372,673	\$ -	\$ 372,673	\$ -	\$ -	\$ 372,673
<b>Major Repairs and Alterations</b>		\$ -	\$ 59,638	\$ 3,217	\$ 66,650	\$ 3,795	\$ 59,638	\$ 66,650
New York, NY 201 Varck Street Federal Office Building	\$ -	\$ 998	\$ 8,966	\$ 847	\$ 10,811	\$ 998	\$ 8,966	\$ 10,811
New York, NY Jacob K. Javits Federal Building	\$ -	\$ 9,903	\$ 106,950	\$ 7,594	\$ 124,447	\$ 9,903	\$ 106,950	\$ 124,447
Chicago, IL Ralph H. Metcalfe Federal Building	\$ 12,246	\$ 7,440	\$ 86,051	\$ 10,720	\$ 104,211	\$ -	\$ 81,245	\$ 91,965
Philadelphia, PA Philadelphia U.S. Custom House	\$ -	\$ 16,860	\$ 179,515	\$ 12,366	\$ 208,741	\$ 16,860	\$ 179,515	\$ 208,741
Woodlawn, MD West High Low Rise	\$ -	\$ 3,395	\$ 40,974	\$ 1,931	\$ 46,300	\$ 3,395	\$ 40,974	\$ 46,300
Tacoma, WA Tacoma Union Station	\$ -	\$ 3,522	\$ 31,192	\$ 2,838	\$ 37,552	\$ 3,522	\$ 31,192	\$ 37,552
Cincinnati, OH Potter Stewart U.S. Courthouse	\$ 3,200	\$ 4,266	\$ 37,937	\$ 3,129	\$ 45,332	\$ 1,066	\$ 37,937	\$ 42,132
Indianapolis, IN Major General Emmett J. Bean Federal Center	\$ -	\$ 4,637	\$ 49,680	\$ 2,713	\$ 57,030	\$ 4,637	\$ 49,680	\$ 57,030
Kansas City, MO Charles Evans Whitaker U.S. Courthouse	\$ -	\$ 1,557	\$ 15,563	\$ 1,330	\$ 18,450	\$ 1,557	\$ 15,563	\$ 18,450
Indianapolis, IN Minton-Capehart Federal Building	\$ -	\$ 3,449	\$ 42,447	\$ 2,781	\$ 48,677	\$ 3,449	\$ 42,447	\$ 48,677
Washington, DC - William Jefferson Clinton North-South Federal Buildings	\$ -	\$ 1,865	\$ 19,681	\$ 12,222	\$ 33,768	\$ 1,865	\$ 23,521	\$ 26,387
Los Angeles, CA 11000 Wilshire Federal Building	\$ -	\$ 1,877	\$ 19,681	\$ 1,222	\$ 22,780	\$ 1,877	\$ 19,681	\$ 22,780
Kansas City, MO 8930 Ward Parkway	\$ -	\$ 2,305	\$ 32,242	\$ 1,895	\$ 36,442	\$ 2,305	\$ 32,242	\$ 36,442
Austin, TX Austin Finance Center	\$ -	\$ 2,657	\$ 23,836	\$ 2,193	\$ 28,686	\$ 2,657	\$ 23,836	\$ 28,686
Cleveland, OH Carl B. Stokes U.S. Courthouse	\$ -	\$ -	\$ 11,000	\$ -	\$ 11,000	\$ -	\$ 11,000	\$ 11,000
Multiple Locations - Southern Border LPOE Infrastructure Paving	\$ 15,446	\$ 68,526	\$ 765,353	\$ 66,998	\$ 900,877	\$ 57,886	\$ 764,387	\$ 878,050
<b>Subtotal, Major Repair and Alterations</b>		\$ -	\$ 59,638	\$ 3,217	\$ 66,650	\$ 3,795	\$ 59,638	\$ 66,650
<b>Special Emphasis Programs</b>		\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Consolidation Activities Program	\$ -	\$ -	\$ 12,500	\$ -	\$ 12,500	\$ -	\$ 12,500	\$ 12,500
Judiciary Capital Security Program	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Fire Protection and Life Safety Program	\$ -	\$ -	\$ 112,500	\$ -	\$ 112,500	\$ -	\$ 112,500	\$ 112,500
<b>Subtotal, Special Emphasis Programs</b>		\$ 15,446	\$ 68,526	\$ 66,998	\$ 1,386,050	\$ 57,886	\$ 1,249,560	\$ 1,363,223
<b>Total FY 2021 Repairs and Alterations Program</b>		\$ 15,446	\$ 68,526	\$ 66,998	\$ 1,386,050	\$ 57,886	\$ 1,249,560	\$ 1,363,223

## Repair and Alterations - Project Descriptions

### California

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#### **Los Angeles, CA 11000 Wilshire Federal Building Annex.....\$26,387,000**

GSA proposes \$26,387 thousand for a repair and alteration project to remediate the fire-damaged East Annex at the Federal Building complex located at 11000 Wilshire Boulevard in Los Angeles, CA. The project will enable recapture of space vacated as a result of the fire and return of common services, including the credit union and the cafeteria to the building. The project will fully restore the annex and includes seismic upgrades, exterior and interior construction, mechanical, electrical, plumbing replacement, and fire and life safety work.

In May 2017, the East Annex was badly damaged in a fire that started in the U.S. Postal Service space and quickly spread throughout the Annex building. Emergency remediation and encapsulation efforts were completed to prevent further damage to the annex but 19,000 usable square feet of critical office and joint-use space remains unsuitable for occupancy. Temporary space on the 7<sup>th</sup> floor of the tower now houses some of the agencies, but there is no longer a cafeteria or post office on the site. Renovating the East Annex will allow the agencies to vacate the 7<sup>th</sup> floor of the tower.

The FY 2021 request is for Design (\$1,865 thousand), Construction (\$23,521 thousand) and Management and Inspection (\$1,001 thousand).

### District of Columbia

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#### **Washington, DC William Jefferson Clinton Complex.....\$48,677,000**

GSA proposes \$48,677 thousand for a repair and alteration project to upgrade, replace, and improve the conveyance systems at the William Jefferson Clinton Complex (Clinton Complex) located at 1200 Pennsylvania Avenue NW, Washington, DC. The proposed project will provide safe, reliable, efficient elevators and a chairlift that are code and accessibility compliant.

The Clinton Complex contains 48 elevators and 1 wheelchair lift. The proposed project will replace all of the major system components and equipment, including the hoist motor, controllers, wiring, safety devices, switches, door equipment, cabs, panels, and hydraulic machinery on all elevators, and the wheelchair lift. The communication systems, cab finishes, and lighting will be upgraded. As related to the reliability of each elevator and the wheelchair lift, ancillary systems and functions including fire recall systems, emergency power, fire separation, fire sprinklers, accessibility, electrical, electrical panels, elevator machinery room air conditioning, ventilation, and lighting and Architectural Barriers Act Accessibility Standard (ABAAS) related deficiencies will be updated where needed to meet current codes and safety standards, and to provide for the serviceability, operability, and reliability will be addressed.

The current systems are not in compliance with code and safety standards, have exceeded their useful lives, and are difficult to maintain with some equipment dating back to the original construction and component parts are no longer manufactured. Tenant impacts include an average of five service calls per month, and two elevators are currently out of commission. As part of an ongoing effort to optimize the utilization of the Clinton Complex and enable lease cost avoidance, the Complex density is expected to increase by approximately 1,200 employees once EPA operations located in 1 Potomac Yard consolidate into the Clinton Complex beginning in March 2021. The government will realize approximately \$14.3 million in annual lease cost avoidance as a result of this consolidation. The proposed conveyance upgrades/replacements will provide reliable, efficient service and ensure that current building codes and fire, life safety, and accessibility requirements are met.

The FY 2021 request is for Design (\$3,449 thousand), Construction (\$42,447 thousand) and Management and Inspection (\$2,781 thousand).

## Illinois

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### **Chicago, IL Ralph H. Metcalfe Federal Building..... \$124,447,000**

GSA proposes \$124,447 thousand for a repair and alteration project to optimize the utilization of space and correct major building deficiencies in the Ralph H. Metcalfe Federal Building (Metcalfe FB) located at 77 W. Jackson Boulevard, Chicago, IL. The project will decrease the space dedicated to the Department of Housing and Urban Development (HUD) and will relocate United States Secret Service (USSS) into this building from leased space, resulting in approximately \$3,700,000 in annual lease cost avoidance, and a combined annual agency rent savings of \$1,750,000.

The project will allow HUD to reduce the amount of space it occupies in the building and improve its utilization rate. As part of this project, HUD will release approximately 55,000 usable square feet, and USSS, currently in leased space, will backfill approximately 67,000 usable square feet.

The project will also upgrade the building's HVAC, electrical, conveyance, plumbing and fire protection systems; and improve building common services including conference center and childcare spaces.

The elevators are well beyond their useful lives and do not comply with code and replacement parts are not readily available. Elevator entrapments and prolonged shutdowns due to emergency repairs have led to disruption of mission-critical tenant operations and frequent complaints from building tenants.. The building has only one freight elevator and disruption is problematic.

The chiller plant is at the end of its useful life, inefficient, and must be replaced in order to avoid a failure that would cause severe disruption to building operations and the tenants' ability to carry out their missions. In addition, the building's HVAC equipment, including the Building

Automation System, controls, and air handling units, are obsolete, inefficient, and beyond their useful lives.

The existing restroom fixtures and plumbing are original and do not comply with national water efficiency standards or Architectural Barriers Act Accessibility Standards. The building's conference center serves the entire Chicago Federal Center and is undersized to meet the needs of both building tenants and the Federal community.

The second floor former cafeteria space is underutilized. Repurposing the cafeteria to expand the childcare center, provide flexible/hoteling space for the use of Federal workers, and provide a small kitchen area for rotating food vendors will optimize the use of this space.

The FY 2021 request is for Design (\$9,903 thousand), Construction (\$106,950 thousand) and Management and Inspection (\$7,594 thousand).

## Indiana

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### **Indianapolis, IN Major General Emmett J. Bean Federal Center.....\$42,132,000**

GSA proposes \$42,132 thousand for a repair and alteration project for the Major General Emmett J. Bean Federal Center located at 8899 E. 56<sup>th</sup> Street, Indianapolis, IN. The proposed project will complete critical repairs and upgrades to the building's exterior and portions of the roof, repairs to the window systems and interior walls, and replace the building's cooling tower. Additional design is required for the repairs to the building's windows as well as for the correction of resulting ongoing water infiltration and repairs of the interior.

The building is experiencing a serious structural failure that poses a life safety hazard to its occupants and visitors. The roof parapet is separating from the roof and moving outwardly over the building's perimeter facades. There is a significant risk of large portions of the roof parapet falling off the building, and the risk grows greater as the parapet continues to move further. The movement is also causing delamination of the building's exterior coating, which continues to fall off the building. Access to portions of the exterior sidewalk has been restricted, and temporary protective netting and scaffolding have been installed to protect tenants from any falling debris.

The north roof of the building, which has reached the end of its useful life, is experiencing leaks. Failed window sealant is allowing water intrusion into the building, causing water damage to the interior side of the gypsum board below the windows and corrosion of metal studs. The water infiltration below the windows has the potential for mold growth. The building cooling tower is corroding and has reached the end of its useful life.

The FY 2021 request is for Additional Design (\$1,066 thousand), Construction (\$37,937 thousand) and Management and Inspection (\$3,129 thousand).

### **Indianapolis, IN Minton-Capehart Federal Building.....\$18,450,000**

GSA proposes \$18,450 thousand for a repair and alteration project to undertake structural and related system upgrades of the parking garage at the Minton-Capehart Federal Building located at 575 North Pennsylvania Street Indianapolis, IN.

The garage is over 40 years old and is in urgent need of a major renovation. The garage is suffering from multiple concrete related failures including: delamination on the floor slabs and beams and slab reinforcement with extensive section loss; concrete spalling, and delamination at some column facades; water leakage on the underside of the supported level; and, deteriorated expansion joints. Interim short-term repairs have been undertaken with minor repair and alteration program funds over the past decade in an attempt to address immediate safety measures. The corrosion, spalling, and delamination of the structure is threatening tenant and property safety. Sections of the garage are closed down due to such risks.

The proposed project scope includes concrete repairs and upgrades to lateral load resistance which will extend the life of the parking structure for several decades. The upper level slab will be replaced and a new membrane for vehicle bearing surfaces will be installed over the top of the new slab. Existing beams will be repaired or replaced at locations where concrete has spalled. New concrete shear walls will be constructed. The project also includes improvements to the supporting columns, shear walls and exterior stairwells, as well as improvements to the lighting and fire protection and installation of bollards at the garage entrance and exits

The FY 2021 request is for Design (\$1,557 thousand), Construction (\$15,563 thousand) and Management and Inspection (\$1,330 thousand).

## **Maryland**

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### **Woodlawn, MD West High Low Rise.....\$208,741,000**

GSA proposes \$208,741 thousand for a repair and alteration project for the West High Rise and West Low Rise (WHL) buildings located on the Social Security Administration (SSA) headquarters campus at 6401 Security Boulevard, Woodlawn, MD. The full modernization includes replacement of the major mechanical, electrical, and plumbing (MEP) systems, buildings' envelope, reconfiguration and consolidation of tenant spaces, and security and seismic upgrades.

A full modernization of the WHL buildings is instrumental to fulfilling SSA's and GSA's goals of maximizing the use of federally owned property, exiting nearby leased space and providing SSA with space flexibility into the future. The project improves the utilization of the buildings and achieves approximately \$6,800,000 in annual lease cost avoidance.

The WHL buildings were constructed in 1973, making it time for a major modernization. The WHL buildings' facades are original and are not providing a watertight or energy-efficient curtain wall. Areas of the facades are spalled, cracked and have displaced brick. Water intrusion, poor drainage and insufficient expansion joints are causing corrosion, cracks to the façade and displacement of bricks. Air loss is also occurring throughout the buildings.

The exterior walls and single-pane windows must be replaced to meet the project's security requirements. In addition, the new envelope and HVAC systems will realize existing high-performance energy standards. The existing chilled water plant, including water towers will be removed and replaced with a new plant. Steam from the central plant located under the Altmeyer Building will be used as the heat source for the new heating system. Interior construction includes the complete demolition, reconstruction and reconfiguration of the interior spaces, including lobby areas. The existing bathrooms do not meet accessibility standards and need to be renovated to meet Architectural Barriers Act Accessibility Standards (ABAAS) and to accommodate the consolidation of employees to backfill the buildings after modernization

Fire sprinkler system deficiencies include a lack of sprinkler protection, and obstruction to sprinkler discharge throughout the garage levels. The fire alarm system areas of deficiency include a lack of a fire command center in West High and control equipment overheating throughout each building. Improvements to the underground parking garage will also be undertaken including structural upgrades, replacement of drains, piping and associated pumps, exhaust and HVAC systems, electrical, life safety and security systems.

The FY 2021 request is for Design (\$16,860 thousand), Construction (\$179,515 thousand) and Management and Inspection (\$12,366 thousand).

## Missouri

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### **Kansas City, MO 8930 Ward Parkway.....\$22,780,000**

GSA proposes \$22,780 thousand for a repair and alteration project for 8930 Ward Parkway Federal Building (8930 WP FB) located at 8930 Ward Parkway, Kansas City, MO. The proposed project will modernize the building to address aging infrastructure, improve building performance, and correct code deficiencies.

The project proposes replacing windows, installing integrated blast protection, façade repair, site work, including retaining wall, loading dock, landscaping, exterior security and parking. Interior alterations include demolition and core shell preparation for reconfiguration of stairwells and a dead-end corridor, and exterior wall insulation and construction of joint use and swing space. Fire and life safety improvements include replacement of sprinkler piping, fire sprinkler line relocation, installation of fire pump, and correction of egress issues. The project also includes restroom accessibility upgrades to meet Architectural Barriers Act Accessibility Standard (ABAAS) requirements and conveyance system modernization of three passenger elevators. Modernization of building systems includes HVAC and electrical upgrades and a back-up generator.

The building's single-pane windows are original to the building and have reached the end of their useful life. Upgrading to double-pane windows with blast protection will meet security requirements, save energy and improve the tenant work environment. The building's HVAC equipment and switchgear equipment are at or near the end of their useful life. The addition of a

generator is to address redundancy and deficiencies related to the tenant's Continuity of Operations Plan for building operation emergency loads.

The FY 2021 request is for Design (\$1,877 thousand), Construction (\$19,681 thousand) and Management and Inspection (\$1,222 thousand).

**Kansas City, MO Charles Evan Whittaker U.S. Courthouse.....\$57,030,000**

GSA proposes \$57,030 thousand for a repair and alteration project for the Charles E. Whittaker Courthouse (Whittaker CT) located at 400 E. 9th Street, Kansas City, MO. The proposed project will replace the deteriorating curtain wall system and complete roof upgrades.

The proposed project will replace the deteriorating curtain wall system along with roofing components. The project will replace existing curtain wall at the north, south, east and west elevations with new curtain wall including framing, glazing, and sealants. The project will replace the punched windows on the east and west elevations. The project will provide new sealants at joints between existing exterior precast panels and provide new draft-stopping at the existing air-intake louvers. Fenestration and skylights will be blast protected for a 35' setback. The project will also replace the existing roof drains and the south-side interior roof gutter, replace the coping at precast crown structures with fall protection.

The project will construct temporary interior barriers to prevent dust and debris from entering tenant space. Interior alterations are limited to those required to complete the facade and replace mechanical shades on the south side.

The curtain wall system is original to the building. It is deteriorating and posing serious safety hazards. The windows are losing integrity throughout the building, resulting in water infiltration in widespread areas. Repair work has created additional water infiltration, which may create potential for mold, further deterioration, and fall hazards. In numerous curtain wall areas, temporary supports have been installed to maintain panel integrity and fasten trim material. Window gasketing is separating from the facade. Windows are at risk of failing, creating potential risk to people inside and outside of the building.

Until a full replacement curtain wall system is completed, building occupants have been notified to stay away from the windows and not to lean against them or place any type of load against them. To protect the building occupants and the general public, windows in interior public areas have been barricaded off.

The FY 2021 request is for Design (\$4,637 thousand), Construction (\$49,680 thousand) and Management and Inspection (\$2,713 thousand).

**New York**

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**New York City, NY Varick Federal Office Building.....\$66,650,000**

GSA proposes \$66,650 thousand for a consolidation project at the 201 Varick Street Federal Office Building (Varick Street) in New York, NY. The proposed project will renovate approximately 195,000 usable square feet (USF) of space for the Department of Homeland Security, Immigration and Customs Enforcement–Homeland Security Investigations (ICE-HSI), and Veterans Affairs–Veterans Benefits Administration (VBA). ICE-HSI will be relocating from a costly lease in Manhattan into Federally owned space being vacated by the Department of Veterans Affairs–Veterans Benefits Administration (VBA) which is consolidating into approximately 48,000 USF within Varick. The project will result in agency rent savings to VBA of approximately \$3,100,000 annually, and the Government will realize \$13,000,000 in annual lease cost avoidance, while ICE-HSI will benefit from \$7,000,000 in annual agency rent savings.

Restacking of the building is necessary to allow for a separate entrance for secure vehicle access for ICE occupancy in contiguous space, along with separate secure internal vertical transportation. VBA is relocating to the fourth floor. As part of an ongoing project, a health unit will also be relocated from the fourth floor to the eleventh floor to allow VBA to fully occupy the floor. With VBA’s 57,000 USF reduction and ICE-HSI backfilling vacant space, the overall utilization rate for this building will be reduced, and vacant space will be minimal.

The FY 2021 request is for Design (\$3,795 thousand), Construction (\$59,638 thousand) and Management and Inspection (\$3,217 thousand).

**New York City, NY Jacob K. Javits Federal Building.....\$10,811,000**

GSA proposes \$10,811 thousand for a consolidation project at the Jacob K. Javits Federal Office Building (Javits FOB) located at 26 Federal Plaza, New York, NY, to meet the long-term housing needs for the Department of Education (Education), currently housed in leased space. The project will decrease the Federal Government’s reliance on leased space, reduce federally owned vacant space, and provide an annual lease cost avoidance of approximately \$4,300,000 and an annual agency rent savings of approximately \$1,150,000.

This project proposes to consolidate and relocate Education to the Javits FOB from a prospectus-level lease. As part of the interior space alterations for approximately 24,500 usable square feet (USF), HVAC and electrical upgrades required to house Education in the building will be completed. Education occupies nearly 46,000 USF in leased space and is reducing its space requirements by roughly 45%. This reduction in USF will significantly improve Education’s overall utilization rate.

The FY 2021 request is for Design (\$998 thousand), Construction (\$8,966 thousand) and Management and Inspection (\$847 thousand).

**Ohio**

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**Cincinnati, OH Potter Stewart U.S. Courthouse.....\$37,552,000**

GSA proposes \$37,552 thousand for a consolidation project that will relocate the U.S. Bankruptcy Court (USBC) from over 38,000 usable square feet (usf) of leased space to approximately 21,000 usf in the Potter Stewart U.S. Courthouse (Potter Stewart Courthouse). The project will meet the long term housing needs of the USBC, decrease the Federal Government's reliance on leased space, reduce federally owned vacant space, and improve space utilization in the Potter Stewart Courthouse. Approximately \$1,100,000 in annual lease costs will be avoided, with savings of approximately \$110,000 in annual agency rent payments.

The project proposes alterations to consolidate the USBC into the Potter Stewart Courthouse from leased space. The alterations include construction of two USBC courtrooms and chambers, a judges' elevator, clerk space, and shared support spaces. HVAC, electrical, plumbing, and life safety system upgrades required to house USBC in the Courthouse will also be completed. To provide contiguous space for the USBC, some of the existing customer agency space may be relocated within the courthouse.

The FY 2021 request is for Design (\$3,522 thousand), Construction (\$31,192 thousand) and Management and Inspection (\$2,838 thousand).

**Cleveland, OH Carl B. Stokes U.S. Courthouse.....\$28,686,000**

GSA proposes \$28,686 thousand for a repair and alteration project to complete, repair, and expand the plaza system at the Carl B. Stokes U.S. Courthouse (Stokes Courthouse) located at 801 W. Superior Avenue in Cleveland, OH. The project proposes to repair the plaza at the Stokes Courthouse to eliminate water leaks and infiltration into the lower levels of the building. The scope includes refinishing and reinforcing the structural steel that supports the plaza, along with repairs to fireproofing and upgrading the surface parking lots and the retaining wall between them. The project also includes the completion of the plaza toward Superior Avenue, which has remained unfinished since construction of the courthouse.

The FY 2021 request is for Design (\$2,657 thousand), Construction (\$23,836 thousand) and Management and Inspection (\$2,193 thousand).

**Pennsylvania**

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**Philadelphia, PA U.S. Custom House.....\$91,965,000**

GSA proposes \$91,965 thousand for a repair and alteration project for the U.S. Custom House (Custom House) located at 200 Chestnut Street in Philadelphia, PA. The proposed project will repair/replace the domestic and stormwater systems and upgrade/replace the HVAC system to a more efficient, modern design.

The building is suffering from recurrent flooding caused by the aged domestic water piping system and significant temperature and indoor air quality issues caused by the insufficient and outdated HVAC system. Electrical system components will be replaced to support the HVAC

systems. Mitigation of hazardous materials and associated sprinkler modifications will be accomplished in disturbed areas as part of the project.

To repair the building's domestic water system, the piping will need to be exposed, abated of asbestos, inspected, and repaired. Concurrently, the building's induction unit system will be removed, abated of asbestos and upgraded to a four-pipe fan coil system. Due to the invasive nature of this work and the presence of hazardous materials, the majority of building tenants will be moved into internal swing space. The less invasive aspects of the project include repairing the stormwater system, replacing the building automation system, replacing the air handling units, partial conversion to variable air volume serving interior zones, replacing the heating and chilled water systems, and replacing the boilers.

As noted above, this renovation is in an occupied building so the proposed project includes allowances for internal swing space. The project minimizes tenant impact by using internal swing space and hazardous materials enclosures, as well as by completing the scope items together.

The FY 2021 request is for Construction (\$81,245 thousand) and Management and Inspection (\$10,720 thousand).

## Texas

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### **Austin, TX Austin Finance Center.....\$36,442,000**

GSA proposes \$36,442 thousand for a repair and alteration project to modernize the existing Austin Finance Center (AFC), located at 1619 Woodward Street in Austin, Texas. The project will replace building systems, replace the roof, improve energy efficiency, and convert vacant light industrial space to office space for the Department of Veterans Affairs (VA). Relocation of VA to this building provides an annual lease cost avoidance of approximately \$1,000,000.

Treasury's transition to electronic transfer of funds resulted in the removal of all check printing and distribution functions and has significantly altered the type and amount of space the agency requires. The 50-year-old building has undergone various renovation projects over the years, but never a complete modernization, including upgrades.

The current space, previously converted from light industrial to office use, does not include the appropriate lighting, HVAC, ceilings, or finishes for office space. Conversion of the vacant light industrial space into usable office space for VA will prevent the need to lease additional space to alleviate overcrowding in their current leased location. Window replacement will provide energy efficiency and costs savings. The roof has exceeded its useful life and needs replacement. The building systems, including electrical, power distribution, and HVAC, are outdated and have reached the end of their useful lives. The storm water and sanitary lines do not meet current code and need to be separated. Runoff from heavy rains often floods the loading dock's storm drain, causing flooding in the building when floor drains back up. All the domestic water lines are old, corroded, and need to be replaced.

The FY 2021 request is for Design (\$2,305 thousand), Construction (\$32,242 thousand) and Management and Inspection (\$1,895 thousand).

## Washington

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### **Tacoma, WA Tacoma Union Station.....\$46,300,000**

GSA proposes \$46.131 thousand for a repair and alteration project at the Historic Tacoma Union Station (TUS) located at 1717 Pacific Avenue, Tacoma, WA to address seismic deficiencies and undertake targeted building system modernizations. GSA exercised the purchased option committing the Government to the \$1 purchase when the existing lease agreement expires on September 20, 2022. GSA's *Seismic Rating System Report*, released on March 31, 2016, lists the Tacoma Union Station as having one of the highest seismic risk rating in the GSA portfolio. In addition to the critical structural repairs and upgrades, the proposed project will modernize the building's outdated systems, address life safety upgrades, alter interior space and undertake exterior repairs. The facility is currently under the ownership of the City of Tacoma. When the facility comes into the Federal inventory, the Government will realize an annual lease cost avoidance of approximately \$6,400,000.

The proposed project includes seismic mitigation and progressive collapse protection upgrades, electrical, fire and life safety, HVAC and plumbing upgrades and exterior repairs.

Structural seismic mitigation and progressive collapse protection is limited to the east elevation of the Historic building and includes installation of shear walls and a concrete tie beam to support the perimeter masonry walls. Non-structural seismic mitigation includes the installation of bracing for the ceiling systems, piping and fire sprinkler, and seismic anchoring of mechanical and electrical equipment in the Historic, Courts Addition and Link Buildings. Interior alterations include modification of interior offices in the Historic Building. Floor, wall and ceiling finishes will address damage caused by water infiltration. The art in the building will be removed, cleaned, and stored off site and will be reinstalled upon project completion.

Electrical upgrades include installation of multiple panelboards, modifications to communication systems, installation of surge protection devices; and other exterior and interior LED lighting upgrades. Fire and Life Safety upgrades include the replacement of the existing fire alarm system. New sprinkler piping coverage and seismic bracing will be installed and a new fire command center will be located in the rotunda. The HVAC system upgrade work includes simultaneous replacement of cooling towers with a new 340 ton cooling tower, primary heating water pumps and pressurization, exhaust and return fans will be replaced as well as modifications of existing pipework. Plumbing upgrades include energy efficient fixtures and electric water heaters. New family accessible restrooms will also be installed.

Building exterior upgrades will address exterior windows, central mail room, dedicated loading dock screening area, and parking area. The project also includes work on the existing parking lot to upgrade the existing security and install bollards and alarms. Tunnel structural repair work will address water infiltration. Roofing upgrades include parapet repair work on both the Historic Building and Courts Addition Building roofs. The roof membrane on the upper roofs of the Historic Building will be replaced. Roof pavers on the Link Building will be cleaned and reinstalled.

The FY 2021 request is for Design (\$3,395 thousand), Construction (\$40,974 thousand) and Management and Inspection (\$1,931 thousand).

### **Southern Border**

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#### **Various Locations Land Ports of Entry on the Southern Border..... \$11,000,000**

GSA proposes \$11,000 thousand for infrastructure paving work at multiple sites that are located at Land Ports of Entry (LPOE) along the southern border to restore port operations, eliminate further degradation of traffic surfaces, and avoid vehicle damage.

The existing infrastructure at many ports was not designed or constructed for current traffic loads. Sections of the concrete have dropped significantly, creating an uneven road and causing hazard for the commercial trailers. Areas continue to worsen during heavy rain events, which cause the ground to soften and concrete to sink further. In some locations, traffic lanes are closed off to prevent truck damage, thereby creating inefficient port operations.

The funding requested will address conditions at multiple locations where paving is extremely worn and/or damaged, slabs have shattered, drainage has been impacted, and traffic lanes have been impacted.

The FY 2021 request is for Construction (\$11,000 thousand).

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### **Minor (Basic) Repairs and Alterations Nationwide**

#### **Basic Repairs and Alterations Program ..... \$372,673,000**

The FY 2021 repairs and alterations program request includes \$373 million for Basic Repairs and Alterations and is dedicated to ensuring that the existing infrastructure receives the investment necessary to support customer agencies at the lowest possible cost to the taxpayer. Projects executed in this account are executed below the current prospectus threshold of \$3.095 million as well as recurring in nature above the threshold. Additionally in FY 2021, PBS will increase from \$25,000 to \$50,000 the threshold for distinguishing for minor repairs from building operations expenses. This change will move \$9.2 million in work previously performed in this account to PBS's Building Operations account.

The majority of obligations address below prospectus-level serviceability work items to maintain a facility's suitability to its original intended function. These are repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. The balance of funds received address space alterations, health and safety, physical security and special programs.

Postponing repairs and system upgrades leads to higher operating and maintenance costs and subsequent increased repair or replacement costs.

## Special Emphasis Program

### Nationwide

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#### **Consolidation Activities Program.....\$50,000,000**

GSA proposes \$50 million for the reconfiguration and renovation of space within Government-owned and leased buildings during FY 2021 to support GSA's ongoing consolidation efforts to improve space utilization, optimize inventory, decrease reliance on leased space, and reduce the Government's environmental footprint. As part of this effort, GSA is identifying consolidation opportunities within its inventory. These opportunities are presented through surveys and studies, partnering with customer agencies and through agency initiatives. Projects will vary in size by location and agency mission and operations; however, no single project will exceed \$20 million in GSA costs. Funds will support consolidation of customer agencies and will not be available for GSA internal consolidations or for any activities specific to the "Delivering Government Solutions in the 21st Century - Reform Plan and Reorganizations Recommendations". Preference will be given to projects that result in an Office Utilization Rate of 130 usable square feet per person or less and a total project payback period of 10 years or less.

Typical projects include the following:

- Reconfiguration and alteration of existing Federal space to accommodate incoming agency relocation/consolidation. (Note: may include reconfigurations of existing occupied Federal tenant space); and
- Incidental alterations and system upgrades, such as fire sprinklers or heating, ventilation, and air conditioning, needed as part of relocation and consolidation.

Since the inception of the Consolidation Activities Program in FY 2014, GSA has received \$296 million in support of the program and through FY 2019 has funded 81 projects. When complete, these 81 projects will result in more than a 1.64 million usable square foot space reduction, reduce agency rental payments to GSA by \$68 million annually, and provide \$145 million in annual Government lease cost avoidance. These projects will more than recover the initial capital investment after just 2 years of project completion and will continue to accrue

additional savings over the life of these assets.

**Fire Protection and Life Safety Program.....\$50,000,000**

GSA proposes \$50 million for alterations to upgrade, replace, and improve fire protection systems and life safety features through retrofit projects in Government-owned buildings during FY 2021.

Since FY 2010, GSA received \$121 million in total funding for this program. The funds supported 101 projects in 86 Government-owned buildings.

As part of its fire protection and life safety efforts, GSA currently is identifying projects in Federal buildings throughout the country through surveys and studies. These projects will vary in size, location, and delivery method. Typical projects include:

- Replacing antiquated fire alarm and detection systems that are in need of repair or for which parts are no longer available.
- Installing emergency voice communication systems to facilitate occupant notification and evacuation in Federal buildings during an emergency.
- Installing or expanding, as necessary, fire sprinkler systems to provide a reasonable degree of protection for life and property from fire in Federal buildings.
- Constructing additional exit stairs or enclosing existing exit stairs to facilitate the safe and timely evacuation of building occupants in the event of an emergency.

**Capital Security Program.....\$12,500,000**

GSA proposes \$12.5 million for alterations to improve physical security in Government-owned buildings occupied by the Judiciary and the U.S. Department of Justice, U.S. Marshals Service during FY 2021. This program provides funding to address security deficiencies identified by the Judiciary in existing Federal facilities in a timely and less costly manner than constructing a new courthouse. GSA uses the Judiciary's asset management planning process to assist in the identification of potential projects that involve courthouses with poor security ratings nationwide. Since FY 2012, this program has received \$129 million in total funding allocated to 12 projects.

**Rental of Space**

(Dollars in Thousands)

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
\$5,418,845	\$5,497,561	\$5,725,464

Note: Figures do not include indefinite authority for leased space.

**Program Description**

This activity provides for the leasing of privately owned buildings when federally owned space is not available. This includes space occupied by Federal agencies, including in U.S. Postal Service facilities. GSA expects to provide 181 million square feet of rental space in FY 2019, 177 million square feet in FY 2020, and 178 million square feet in FY 2021. (Note: This NOA request does not include any space funded by Indefinite Authority).

In FY 2021, \$5.73 billion is required for the Rental of Space program. This amount funds annual rent for current leases, real estate tax and other one-time payments, and rent increases associated with replacement leases and expansion space.

The FY 2021 Rental of Space request consists of the following requirements:

- \$5,734.16 million for annual rent for leases already in the inventory;
- \$20.117 million for rent increases, typically associated with replacement leases, operating cost escalations, and step rents;
- \$91.076 million for real estate taxes and one-time payments, such as claims and buyouts partly offset by free rent and broker commission credits;
- \$3.302 million for temporary expansion space, the amount of space entering the inventory for temporary leases in support of major repair and alteration projects and relocations due to forced moves or health and safety conditions; and
- (\$123.347) million for cancellations, the amount of space leaving the inventory.

The FY 2021 request has a minimal increase for Rental of Space requirements. This is primarily due to the impact of the short-term decennial Census projects that account for \$88 million of the requested new obligational authority. Costs also are increasing as \$17.5 million in delegated leases return back to GSA, which increases GSA's portfolio. Market rates across the country are continuing to rise due to general inflation and market pressure with the current strong economy in many markets. To counter these increases, it is imperative that GSA negotiate longer-term rates and reduce square footage, which is central to PBS's long-term strategy.

**Rental of Space, Explanation of Changes**

(Dollars in Thousands)

	New Obligational Authority (NOA) (in thousands)
<b>Fiscal Year 2020 Request</b>	<b>\$ 5,497,561</b>
Portion of FY19 Carryover Used To Fund FY20 Requirement	\$ 27,402
FY 2020 PYR Used To Fund FY2020 Requirements	\$ 11,280
<b>FY2020 Requirement</b>	<b>\$ 5,536,243</b>
Annualization of remaining FY 2020 Program Changes	\$ 69,751
NOA Conversion of FY2020 IA Base	\$ 206,827
Lump Sums (Taxes, IBAAAs, RWAs, Double Rent, Others)	\$ (78,505)
 <b>Fiscal Year 2021 Base</b>	 <b>\$ 5,734,316</b>
Rent Changes (Step Rent, CPIs, Escalations)	\$ 20,117
Lump Sums (Taxes, IBAAAs, RWAs, Double Rent, Others)	\$ 91,076
Cancellations	\$ (123,347)
Expansions	\$ 3,302
 <b>Fiscal Year 2021 Request</b>	 <b>\$ 5,725,464</b>

**Program Strategy**

GSA has worked closely with partner Federal agencies to (1) capture the full breadth of agency real estate portfolios in GSA-owned and -leased space, and (2) create a roadmap for agencies to right-size their respective footprints. GSA is working with agencies to outline opportunities for consolidation and is establishing a sustainable ratio of leased and owned real estate for the GSA portfolio. The funding provided for consolidation projects and the special emphasis consolidation activities in the Capital Program request allows PBS to create new opportunities for agencies to downsize and reduce costs.

PBS's Rental of Space NOA request reflects an overall reduction of 3 million rental square feet (RSF) in anticipated leased square footage from FY 2019 to FY 2021. This projected net reduction includes delegated leases that agencies will return to GSA and leasing action for agencies with independent leasing authority where the agencies have asked GSA to provide space. As the Government continues to implement strategies to identify savings through efficient space use, the cost to lease new space is expected to decrease in aggregate as GSA replaces, consolidates, or terminates expiring leases.

While leased space costs are treated and priced as a pass-through cost for PBS, GSA's objective is to reduce the overall amount of leased RSF while also budgeting for the necessary costs of the Rental of Space budget. This activity provides the Government with a portfolio approach to managing leasing requirements for space. One of the benefits provided by this portfolio approach is flexibility for individual agencies to cancel most occupancies on short notice based on mission needs. In these situations, PBS will look to fill a requirement for another agency with this recently vacated space. Having a centralized portfolio approach for leasing enables this type of holistic approach to meeting needs across all Federal agencies. The table below demonstrates the success that GSA has had in reducing the amount of space leased since FY 2014.

### **Impact of Lease Cost Avoidance**

The PBS portfolio of all leases consists of more than 187 million RSF, which includes leases funded through both the Rental of Space allocation and Indefinite Authority. During the period from FY 2019 through FY 2023, 60 percent of PBS leases will expire. This high turnover creates an opportunity to restructure GSA's portfolio over the next few years. PBS will focus on the high-value leases that represent nearly 61 percent of the rent through FY 2025 and replace those leases with longer firm-terms at better rates and improved utilization. This new approach to administering the leasing program has already had an immediate impact in the current year.

### **Impact of Census Leases**

Indefinite Authority expansions have increased due to Census requirements by \$43 million in FY 2019 and \$129 million in FY 2020. These IA leases move into NOA in FY 2021, leading to a \$88.5 million increase in the rental of space requirement. Non-Census expansions include both new and new or replacing projects in FY 2019 and FY 2020. The U.S. Citizenship and Immigration Services, the Federal Bureau of Investigation, the Immigration and Customs Enforcement, and the Food and Drug Administration, are the agencies with the largest FY 2021 expansions.

### **Impact of Delegated Buildings Returning to GSA**

Part of the new inventory in FY 2021 is attributed to facility leases executed under delegated authority returning to GSA from other Federal agencies. During FY 2021 approximately 556,000 RSF of leased space will be returned to the GSA inventory, resulting in a \$17.5 million NOA requirement. The additional costs will be recovered in GSA's rent collections and do not represent a net increase in the overall obligations across the Government. These returned delegations generate an overall benefit as GSA is able to better manage the leasing of space for agencies, allowing these agencies to focus on mission-oriented work.

U.S. General Services Administration  
Federal Buildings Fund

<b>Summary of FY 2020 to FY 2021 Cost and RSF Changes</b>		
(Numbers in Thousands)		
	<b>Cost</b>	<b>RSF</b>
<b>FY 2021 Request</b>	<b>\$ 5,725,464</b>	<b>176,602</b>
Decennial Census Requirements New to Base	\$ 126,522	1,921
One Time Large Expansions - Non-Decennial Census	\$ 20,802	640
Returned Delegations	\$ 17,534	556
Taxes and One Time Costs	\$ 37,310	-
<b>Total FY 2021 Request Adjusted for Anomalies</b>	<b>\$ 5,523,296</b>	<b>173,485</b>
<b>FY 2020 Requirement</b>	<b>\$ 5,536,234</b>	<b>177,731</b>
<b>Change for FY 2020 to FY 2021</b>	<b>\$ (12,938)</b>	<b>(4,246)</b>
<b>Percentage Increase</b>	<b>-0.23%</b>	<b>-2.39%</b>

**Building Operations**

(Dollars in Thousands)

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
\$2,244,118	\$2,372,817	\$ 2,537,311

Note: Figures do not include indefinite authority

**Program Description**

The Building Operations program requires \$2.54 billion in FY 2021 to provide services for both federally owned and leased facilities as well as administration and management of all PBS real property programs. Of the total amount requested in support of Building Operations, the Building Services allocation funds services and cost increases for cleaning, utilities, maintenance, and building services; the Salaries and Expenses allocation supports Public Building Service (PBS) personnel costs excluding reimbursable FTE, PBS-specific IT applications and PBSs contribution to the WCF.

In addition to the NOA requested in FY 2021, PBS projects \$1.36 billion in reimbursable authority for services provided to other agencies, including funding for 270 FTEs. PBS also projects \$41.9 million in permanent indefinite authority from the International Trade Center, Cooperative Use, and Antennae programs.

U.S. General Services Administration  
Federal Buildings Fund

**Building Operations, Explanation of Changes**

(Dollars in Thousands)

	<b>FY 2019 Enacted</b>	<b>FY 2020 Enacted</b>	<b>FY 2021 Request</b>
<b>BASE BUILDING</b>	<b>\$1,119,143</b>	<b>\$ 1,146,112</b>	<b>\$ 1,207,889</b>
Maintenance	\$ 422,252	\$ 438,792	\$ 470,683
Cleaning	\$ 381,074	\$ 376,877	\$ 380,692
Utilities	\$ 261,772	\$ 274,243	\$ 285,946
Security	\$ 54,045	\$ 56,200	\$ 70,568
<b>OTHER / MISC BUILDING</b>	<b>\$ 129,801</b>	<b>\$ 131,262</b>	<b>\$ 126,230</b>
Misc Bldg Support	\$ 99,886	\$ 104,017	\$ 96,497
Studies	\$ 26,094	\$ 23,320	\$ 26,109
Building Moves	\$ 3,821	\$ 3,925	\$ 3,624
<b>PBS ADMINISTRATIVE</b>	<b>\$1,142,195</b>	<b>\$ 1,193,409</b>	<b>\$ 1,245,247</b>
Personnel Compensation and Benefits	\$ 675,573	\$ 701,598	\$ 757,637
GSA Working Capital Fund	\$ 358,235	\$ 364,945	\$ 368,610
Management Support	\$ 61,531	\$ 76,140	\$ 71,500
PBS Information Technology	\$ 47,037	\$ 50,439	\$ 47,735
Administrative Services	\$ 9,029	\$ 9,480	\$ 9,345
Heating Operation and Transmission Division	\$ (9,210)	\$ (9,193)	\$ (9,580)
<b>OTHER / MISC PBS ADMINISTRATIVE</b>	<b>\$ 3,036</b>	<b>\$ 3,396</b>	<b>\$ 2,925</b>
Travel	\$ 11,600	\$ 12,336	\$ 10,665
Training	\$ 6,379	\$ 6,800	\$ 6,800
Telephones	\$ 5,939	\$ 5,907	\$ 6,006
Equipment	\$ 1,501	\$ 858	\$ 1,723
Supplies	\$ 878	\$ 933	\$ 837
Printing	\$ 217	\$ 190	\$ 189
Transportation	\$ 40	\$ 23	\$ 28
RWA Sliding Scale Fee	\$ (23,518)	\$ (23,651)	\$ (23,323)
<b>TOTAL BUILDING SERVICES REQUIREMENT</b>	<b>\$2,394,175</b>	<b>\$ 2,474,179</b>	<b>\$ 2,582,291</b>
<b>OTHER FUNDING SOURCES</b>	<b>\$ (150,057)</b>	<b>\$ (101,362)</b>	<b>\$ (44,980)</b>
<b>TOTAL BUILDING OPERATIONS NOA</b>	<b>\$2,244,118</b>	<b>\$ 2,372,817</b>	<b>\$ 2,537,311</b>

Note: Other Funding Sources includes funds from projected prior year recoveries, National Antenna Program, Cooperative Use Act and carryover.

## Program Strategy

While maximizing resources for New Construction and Acquisition activities and the Repairs and Alterations programs, the FY 2021 request of \$2.54 billion for Building Operations continues to optimize PBS's internal operations while supporting key building operations needs requested by GSA's customers.

*Lease Cost Avoidance Plan*— As highlighted in the summary, increasing the on-time lease replacement rate to 80 percent, entering into longer firm-term leasing agreements, and reducing leased square footage will contribute to reducing FBF obligations by approximately \$4.7 billion over the duration of the lease contracts (15 to 20 years). This strategy achieves savings by implementing long-term strategic lease replacement decisions that capitalize on opportunities to reduce square footage, implement cost-effective consolidation opportunities, and negotiate the most favorable rates for continuing occupancies. Implementing short-term extensions does not support the Government's goal of reducing the Federal footprint, because GSA forgoes the opportunity to consolidate space or move tenants into Federal facilities. Greater investment in the leasing program will maximize the opportunities to achieve long-term savings in the program.

*Resource Request*—PBS is investing additional resources to replace expiring leases on time with long-term agreements that reduce the amount of leased space.

GSA is on target to increase personnel to 5,539 including 270 reimbursable positions by the end of FY 2020 and will remain at that level in FY 2021. The increased staff will enable PBS to reduce the number of lease extensions and avoid lease premiums. In addition to the avoided costs for short-term extension premiums, PBS will avoid higher leasing rates, as longer terms typically yield a more favorable rate. PBS will continue to work to consolidate space.

*Threshold Increase*—GSA will increase its Building Operations maintenance and repair project threshold from \$25,000 to \$50,000 per itemized repair in FY 2021 resulting in more effective and efficient field operations. This will enable GSA's maintenance and operations workforce to complete routine maintenance work seamlessly. Previously, work between \$25,000 to \$50,000 was performed under the Minor Repairs and Alterations program, which required a more detailed review and approval process than is warranted for these small dollar projects. This budget and programmatic adjustment reduces the Minor Repairs and Alterations program requirement by \$9.2 million while correspondingly increasing the Building Operations program's ability to perform these functions.

## Explanation of Programmatic Changes

The FY 2021 request continues efforts to operate PBS's building inventory as efficiently as possible by keeping requested funding levels at the lowest possible level. In FY 2015, PBS implemented additional national oversight of operating budgets in an effort to examine the management, contract provisions, contracting practices, and other activities that contribute to better value in PBS's operating services. While the requested NOA is increasing, the actual

spend has remained relatively flat as the carryover is obligated.

**Maintenance:** The maintenance budget consists of the electrical, plumbing, HVAC, elevator/escalator operations, and labor in support of the operations of facilities within GSA's control. The FY 2021 request includes \$471 million, a 7 percent increase from the FY 2020 requested level for maintenance. This increase provides for additional wage rate increases and inflation on current maintenance contracts as well as maintenance support for facilities that will come into PBS's inventory, including newly constructed or renovated space.

**Cleaning:** The cleaning budget consists of the interior cleaning, exterior cleaning, trash removal, landscaping, and snow removal operations of facilities within GSA's control. The FY 2021 request includes \$381 million, an increase of 1 percent from the FY 2020 requested funding for cleaning.

**Utilities:** The utility budget consists of the costs of water and sewage as well as the energy needed to heat, cool, and power Federal facility operations. The FY 2021 request includes \$286 million, an increase of 4 percent from the FY 2020 requested funding level. The annual costs of Energy Saving Performance Contracts and Utility Energy Service Contracts are funded from the utilities budget. GSA anticipates that these costs will be offset in future fiscal years by reductions to utility payments by PBS and cost avoidance within the maintenance and Basic Repairs and Alterations budgets. The majority of the increase in funding is due to rate increases in water and electricity agreements.

**Security:** The security budget provides funding for the work the U.S. Department of Homeland Security – Federal Protective Service performs in GSA space. The FY 2021 request includes \$71 million, a 25 percent increase compared to the FY 2020 request level. The majority of cost increases are in building security equipment required by GSA, GSA is working with the Federal Protective Service to analyze and control costs where appropriate.

**Miscellaneous Building Support:** The FY 2021 request includes \$96 million, a decrease of 7 percent from the FY 2020 request level, for miscellaneous building support. This category includes various programs that support improved operations. The Fire Protection and Life Safety program identifies fire and safety hazards in GSA-controlled facilities. The Space Alterations and Changes program funds Federal space requirements development, including expansion space and alterations under \$50,000.

The Energy and Environmental program oversees environmental testing and hazardous material abatement, as well as improving efficiencies by diagnosing, metering, and enhancing building systems with advanced automation systems. The Realty Services program funds leased space requirements-development, market surveys and appraisals, brokerage commissions, and assigning and backfilling space. In addition, this funding allows for Special Programs that include cafeteria, childcare operations, and the Historic Preservation program. Miscellaneous Building Support also funds various support functions not chargeable elsewhere, such as key making, signage, renting operating equipment and tools, and raising and lowering

flags. The majority of the increase to this program area is to support the upcoming expiring leases by investing in program-of-requirements and construction management services for lease projects.

**Studies:** The FY 2021 request includes \$26 million, an increase of approximately 12 percent from the FY 2020 requested funding level. This increase is due to fully funding and remaining necessary studies supporting the FY 2021 capital project request, while accounting for necessary building studies in other program areas. This category includes environmental studies and assessments, project development studies, building engineering reports, and planning studies. Energy audits are not included in this category. Studies are the first phase in successfully completing a capital project and are vital to the formulation of the Five-Year Capital Plan; it is therefore imperative that funding be provided at the request level.

**Building Moves:** This category funds costs associated with moving an agency into or out of space or moving GSA offices. The FY 2021 request includes \$4 million, a decrease of \$301 thousand, or 8 percent, from the FY 2020 requested funding level.

**Personnel Compensation and Benefits (PC&B):** In total, there are 5,539 FTE funded by the FY 2021 request, of which an estimated 270 FTE will be funded from reimbursable authority and not the FBF NOA. The anticipated reimbursable authority to fund PC&B in FY 2020 is \$44 million. The FY 2021 request represents a minor shift of 59 contract positions to Federal FTE. This does not create an increase in funding needs for PBS, but rather a shift from management support to PC&B. The request also includes a 1 percent pay raise for the FY 2021 compensation and benefits requirement, the necessary normal pay retirement adjustment, as well as an awards increase of 1 percent.

**GSA Working Capital Fund:** The FY 2021 request includes \$368.6 million for PBS's payment to the WCF, an increase of \$3.6 million from the FY 2020 level. This category provides funding for GSA's overhead and administrative functions including Budget and Finance, Human Resources, and GSA IT services, as well as select PBS-specific requirements.

**Management Support:** The FY 2021 request includes \$72 million, a decrease of 6 percent from the level of funding provided in the FY 2020 request. Management Support refers to PBS functions that are contracted out rather than maintained in-house in order to fulfill short-term initiatives, implant specified subject-matter expertise, or reduce personnel costs based upon competitive analyses. Positions support administrative functions as well as core areas of PBS's business such as leasing and building support.

**PBS IT Services:** The FY 2021 request includes \$48 million, which is a decrease of \$5 million from the FY 2020 request. FY 2020 included an increase to fund a project management system replacement, which was a one-time, planned investment. In FY 2021, the IT budget returns to its previous level. This category provides funding for top-priority, PBS-specific IT enhancements and investments including operation, maintenance, and enhancements of national applications.

PBS is implementing Section 889 of the FY2019 National Defense Authorization Act (NDAA) (P.L. 115-232), which prohibits the Federal Government's purchase of certain telecommunications equipment, video surveillance equipment, and services from five named companies. This action impacts PBS portfolio of contracts, including leases of real property, and required over 8,000 contracts to be modified. Additional GSA resources will be impacted due to the heavy workload involved in modifying the remaining contracts and the need to modify existing IT systems that GSA leverages to manage contract actions.

**Other/Miscellaneous PBS Administrative:** This category provides funding for PBS's administrative costs such as transportation, telephones, printing, supplies, equipment, and travel, as well as programmatic spending not associated with Management Support. This category also includes \$6.8 million for training that represents less than 1 percent of base salary cost. Training funds provide discretionary and mandatory requirements such as PBS's Acquisition and Project Management personnel training, and the Facilities Management certification program.

**Reimbursable Program**

When requested by other Federal agencies, PBS provides, on a reimbursable basis, building services such as tenant alterations, cleaning, utilities, and other operations, which are in excess of those services provided within the standard commercial rental charges.

<b>REIMBURSABLE PROGRAM</b>		
<b>EXPLANATION OF BUDGET CHANGES</b>		
<b>(Dollars in Thousands)</b>		
	FTE	Authority
<b>FY 2020 Request</b>	<b>270</b>	<b>\$ 1,354,565</b>
Workload Increases	0	\$ 5,648
<b>FY 2021 Request</b>	<b>270</b>	<b>\$ 1,360,213</b>

## Appropriations Language

Amounts in the Fund, including revenues and collections deposited into the Fund, shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation, and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings, including grounds, approaches, and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of **\$10,388,375,000**, of which—

(1) **\$762,377,000** shall remain available until expended for construction and acquisition (including funds for sites and expenses, and associated design and construction services):

Provided, That amounts identified in the spend plan for construction and acquisition required by section 515 of this division may be exceeded to the extent that savings are affected in other such projects, but not to exceed 10 percent of the amounts included in a transmitted prospectus, if required, unless advance notice is transmitted to the Committees on Appropriations of a greater amount;

(2) **\$1,363,223,000** shall remain available until expended for repairs and alterations, including associated design and construction services, of which—

(A) **\$878,050,000** is for Major Repairs and Alterations;

(B) **\$372,673,000** is for Basic Repairs and Alterations; and

(C) **\$112,500,000** is for Special Emphasis Programs:

Provided, That amounts identified in the spend plan for major repairs and alterations required by section 515 of this division may be exceeded to the extent that savings are affected in other such projects, but not to exceed 10 percent of the amounts included in a transmitted prospectus, if required, unless advance notice is transmitted to the Committees on Appropriations of a greater amount: Provided further, That additional projects for which prospectuses have been transmitted may be funded under this category only if advance notice is transmitted to the Committees on Appropriations:

Provided further, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects;

(3) **\$5,725,464,000** for Rental of Space to remain available until expended;

(4) **\$2,537,311,000** for Building Operations to remain available until expended.

Provided, That the total amount of funds made available from this Fund to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition

*project for which a prospectus, if required to be submitted pursuant to 40 U.S.C. 3307, has not been transmitted to the Committees referenced therein, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance notice is transmitted to the Committees on Appropriations: Provided further, That amounts necessary to provide reimbursable special services to other agencies under 40 U.S.C. 592(b)(2) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: Provided further, That revenues and collections and any other sums accruing to this Fund during fiscal year 2021, excluding reimbursements under 40 U.S.C. 592(b)(2), in excess of the aggregate new obligational authority authorized for Real Property Activities of the Federal Buildings Fund in this Act shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.*

<b>Program</b>	<b>Source</b>	<b>Explanation</b>
Recycling and Energy Rebates	40 U.S.C. § 592	The Administrator may obligate amounts received and deposited into the FBF for energy management improvement and recycling programs.
Historic Properties	54 U.S.C. § 306121	The proceeds of any outlease for a historic property may, notwithstanding any other provision of law, be retained by the agency entering into such lease and used to defray costs incurred by the agency with respect to such property or other properties under the control of the agency which are on the National Register of Historic Places.
Pennsylvania Avenue Activities	40 U.S.C. § 6701(b)(1)	The Administrator may use amounts transferred from the Pennsylvania Avenue Development Corporation (PADC) or income earned on PADC property for activities associated with carrying out the responsibilities of the PADC transferred to the Administrator. Any income earned after October 1, 1998, shall be deposited to the Federal Buildings Fund to be available for the purposes authorized under this subchapter, notwithstanding 40 USC 592(c)(1).
International Trade Center	40 U.S.C. § 6701(a)(1)	The Administrator may make and perform transactions as necessary to carry out the trade center plan at the Federal Triangle Project. See also 40 U.S.C. § 6701(b) (1), noted above.
Cooperative Use Act and National Antenna Program	40 U.S.C. § 581(h)(3)	The Administrator may deposit into the FBF amounts received under Cooperative Use Act leases or rentals, and amounts deposited shall be credited to the appropriation from the Fund applicable to the operation of the building.
Telecommuting	40 U.S.C. § 587(b)(4)	The Administrator may deposit into the FBF user fees related to telecommuting centers, and use the fees to pay costs incurred in establishing and operating telecommuting centers. GSA may accept and retain income received from Federal agencies and non-Federal sources to defray costs directly associated with the functions of telecommuting centers.

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Rental of Space	40 U.S.C. § 586 (d)	An agency may make rent payments to GSA for lease space relating to expansion needs of the agency. Payment rates shall approximate commercial charges for comparable space. Payments shall be deposited into the FBF. GSA may use amounts received under this subsection, in addition to amounts received as New Obligational Authority, in the Rental of Space activity of the FBF.
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**U.S. General Services Administration**

**GOVERNMENT-WIDE POLICY**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language .....	2
Program Description .....	2
Amounts Available for Obligation .....	3
Explanation of Changes, Appropriated Dollars and FTE .....	4
Funding by Program, Dollars and FTE .....	5
Summary .....	6
Program Financing.....	6
Program Increases.....	6
Program Decreases .....	7
OGP Policy Offices .....	10
Office of Asset and Transportation Management.....	10
Office of Evidence and Analysis .....	10
Office of Information Integrity and Access .....	11
Office of Federal High Performance Buildings .....	12
Office of Evaluation Sciences .....	13
Office of Acquisition Policy .....	14
Office of Shared Solutions and Performance Improvement (OSSPI) .....	15

## **Appropriations Language**

*For expenses authorized by law, not otherwise provided for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, travel, motor vehicles, information technology management, and related technology activities; and services as authorized by 5 U.S.C. 3109; \$65,843,000, of which \$4,000,000 shall remain available until September 30, 2022.*

## **Program Description**

This appropriation provides for the activities of the Office of Government-wide Policy (OGP). OGP works cooperatively with other agencies to develop and evaluate administrative policies associated with the following: acquisition and acquisition workforce career development; real property (including high-performing building policy); personal property; travel, transportation management, motor vehicles and aircraft; advisory committee management; information technology (IT) and cybersecurity; evaluation practices; and transparency of regulatory information. OGP also collaborates with agencies and other primary Government organizations to provide support for the execution of Government-wide priorities and programs. These programs include program management support for Government-wide shared services, cross-agency priority goals in the President's Management Agenda (PMA) and IT programs. OGP identifies and shares policies and best practices to drive savings, efficiency, and effectiveness across the Federal Government.

OGP consists of eight offices including the Office of Asset and Transportation Management; the Office of Evidence and Analysis; the Office of Information Integrity and Access; the Office of Federal High Performance Buildings; the Office of Evaluation Sciences; the Office of Acquisition Policy; the Office of Regulations Management; and the Office of Shared Solutions and Performance Improvement (OSSPI).

**Amounts Available for Obligation**  
(Dollars in Thousands)

	2019 Actual	2020 Enacted	2021 Request
<b>Discretionary authority:</b>			
Annual appropriation	\$ 60,000	\$ 64,000	\$ 65,843
<b>Reimbursable authority:</b>			
Unobligated balance, start of year	\$ 23,494	\$ 21,799	\$ 30,561
New authority	\$ 9,851	\$ 9,851	\$ 11,851
Transfers in for Inter-Agency Councils/Cross-Agency Priority Goals	\$ 24,000	\$ 32,000	\$ 32,000
Transfers out for Inter-Agency Councils/Cross-Agency Priority Goals	\$ -	\$ -	\$ -
Change in uncollected payments	\$ (2,660)	\$ -	\$ -
Unobligated balance, expiring	\$ (491)	\$ -	\$ -
<b>Subtotal, Reimbursable Authority</b>	<b>\$ 54,194</b>	<b>\$ 63,650</b>	<b>\$ 74,412</b>
Reimbursable Unobligated balance, end of year*	\$ 21,799	\$ 21,799	\$ 30,561
Obligations, Reimbursable	\$ 32,395	\$ 41,851	\$ 43,851
Obligations, appropriated (annual)	\$ 59,509	\$ 64,000	\$ 65,843
Obligations, appropriated (multi-year)	\$ -	\$ -	\$ -
<b>Total obligations</b>	<b>\$ 91,904</b>	<b>\$105,851</b>	<b>\$ 109,694</b>
Carry over authority	\$ -	\$ -	\$ 4,000
<b>Net Outlays</b>	<b>\$ 55,142</b>	<b>\$ 63,511</b>	<b>\$ 65,816</b>

*U.S. General Services Administration  
Government-wide Policy*

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**Explanation of Changes, Appropriated Dollars and FTE**  
(Dollars in Thousands)

	FTE	FY 2019 Actual	FTE	FY 2020 Enacted	FTE	FY 2021 Request
	133.0	\$60,000	148.0	\$ 64,000	162.0	\$ 65,843
<b>Program Increases:</b>						
Sharing Quality Services and Management Standards Coordination						\$ 1,000
Governmentwide Standards Development and Maintenance for Real Property and Travel					1.0	\$ 1,200
Office of Regulations Management Office of Regulations Management Office (operations)					6.0	\$ 1,000
Agency support for HR 4174 Evidence-Based Policy Making					2.0	\$ 600
Data Center Optimization PMO					-	\$ 1,500
SFTtool enhancements					-	\$ 50
Increase support for policies and implementation of emerging technologies					3.0	\$ -
Increase support for development of Acquisition Policy					2.0	\$ -
Subtotal, Program Increases					14.0	\$ 5,350
<b>Program Decreases:</b>						
Technology Business Management (TBM) PMO						\$ (1,500)
Working Capital Fund Bill decrease from FY 2020 request						\$ (440)
Front Office reduction to allocate funding to specific program areas					-	\$ (1,567)
Subtotal, Program Decreases					-	\$ (3,507)
Total Adjustments					14.0	\$ 1,843

*U.S. General Services Administration  
Government-wide Policy*

**Funding by Program, Dollars and FTE**  
(Dollars in Thousands)

	FY 2019		FY 2020		FY 2021	
	FTE	Authority	FTE	Authority	FTE	Authority
<b>1. Administration</b>						
Annual appropriation	<u>7</u>	<u>\$ 13,640</u>	<u>9</u>	<u>\$ 13,157</u>	<u>9</u>	<u>\$ 12,218</u>
Subtotal, Administration	7	\$ 13,640	9	\$ 13,157	9	\$ 12,218
<b>2. Asset and Transportation Management</b>						
Annual appropriation	40	\$ 12,043	45	\$ 12,021	46	\$ 12,566
Reimbursable authority	<u>0</u>	<u>\$ -</u>	<u>0</u>	<u>\$ -</u>	<u>0</u>	<u>\$ -</u>
Subtotal, Asset and Transportation	40	\$ 12,043	45	\$ 12,021	46	\$ 12,566
<b>3. Evidence and Analysis</b>						
Annual appropriation	<u>10</u>	<u>\$ 2,777</u>	<u>11</u>	<u>\$ 4,653</u>	<u>11</u>	<u>\$ 4,925</u>
Subtotal, Evidence and Analysis	10	\$ 2,777	11	\$ 4,653	11	\$ 4,925
<b>4. Information Integrity and Access</b>						
Annual appropriation	29	\$ 16,345	32	\$ 19,310	35	\$ 19,060
Reimbursable authority	<u>0</u>	<u>\$ 3,770</u>	<u>0</u>	<u>\$ 3,500</u>	<u>0</u>	<u>\$ 4,500</u>
Subtotal, Information Integrity and Access Management	29	\$ 20,115	32	\$ 22,810	35	\$ 23,560
<b>5. Federal High Performance Buildings</b>						
Annual appropriation	<u>11</u>	<u>\$ 3,346</u>	<u>11</u>	<u>\$ 2,912</u>	<u>11</u>	<u>\$ 2,858</u>
Subtotal, Federal High Performance Buildings	11	\$ 3,346	11	\$ 2,912	11	\$ 2,858
<b>6. Regulations Management</b>						
Annual appropriation	<u>0</u>	<u>\$ -</u>	<u>7</u>	<u>\$ 3,578</u>	<u>13</u>	<u>\$ 4,578</u>
Subtotal, Regulations Management	0	\$ -	7	\$ 3,578	13	\$ 4,578
<b>7. Evaluation Sciences</b>						
Annual appropriation	5	\$ 1,633	7	\$ 1,288	9	\$ 1,611
Reimbursable authority	<u>0</u>	<u>\$ 617</u>	<u>0</u>	<u>\$ 1,000</u>	<u>0</u>	<u>\$ 2,000</u>
Subtotal, Evaluation Sciences	5	\$ 2,250	7	\$ 2,288	9	\$ 3,611
<b>8. Acquisition Policy</b>						
Annual appropriation	31	\$ 9,725	26	\$ 5,578	28	\$ 5,524
Reimbursable authority	<u>7</u>	<u>\$ 1,991</u>	<u>12</u>	<u>\$ 2,851</u>	<u>12</u>	<u>\$ 2,851</u>
Subtotal, Acquisition Policy	38	\$ 11,716	45	\$ 8,429	45	\$ 8,375
<b>9. Shared Solutions and Performance Improvement</b>						
Annual appropriation	0	\$ -	0	\$ 1,503	0	\$ 2,503
Reimbursable authority	0	\$ 421	0	\$ 2,500	0	\$ 2,500
Reimbursable authority, Management councils/CAP Goals	<u>16</u>	<u>\$ 25,596</u>	<u>28</u>	<u>\$ 32,000</u>	<u>28</u>	<u>\$ 32,000</u>
Subtotal, Shared Solutions and Performance Improvement	16	\$ 26,017	28	\$ 36,003	28	\$ 37,003
Total, Annual appropriated	133	\$ 59,509	148	\$ 64,000	162	\$ 65,843
Total, Reimbursable	23	\$ 32,395	40	\$ 41,851	40	\$ 43,851
<b>Total, Budget Authority</b>	<b>156</b>	<b>\$ 91,904</b>	<b>188</b>	<b>\$105,851</b>	<b>202</b>	<b>\$109,694</b>

## **Summary**

The FY 2021 appropriated budget request provides \$65.8 million and 162 full-time equivalents (FTE) for the Office of Government-wide Policy (OGP) which is a net increase of \$1.8 million and 14 FTE from the FY 2020 enacted appropriations.

In FY 2021 OGP will continue to develop, analyze, and assist agencies in implementing administrative policies for the Federal Government in multiple functional areas including real and personal property; aircraft and motor vehicles; travel and transportation of goods and people; acquisition of goods and services; acquisition workforce development; IT and cybersecurity policy; shared services; evaluation practices; and high-performance Federal buildings. The 2021 Budget provides the funding required to support agency implementation of new initiatives related to policy development and Government-wide program support.

## **Program Financing**

Salaries and expenses of OGP staff and Government-wide policy are funded from annual appropriations and reimbursable authority. Other reimbursable costs within OGP include the Federal Acquisition Institute (FAI) and CXO Council and Cross-Agency Priority (CAP) Goal funds. The CXO Council and CAP Goal funds are collected by the Office of Shared Solutions and Performance Improvement (OSSPI), which, in coordination with OMB, identifies and pursues initiatives across agencies to support the Federal Management Councils and Cross-Agency Priority Goals. The FAI uses Acquisition Workforce Training Funds to foster the development of high-performing and qualified Government-wide Federal civilian agency acquisition workforce, which includes training, certification programs, human capital planning, and acquisition research.

## **Program Increases**

OGP coordinates a detailed program and performance management review annually to reprioritize projects based on emerging priorities, risks, and efficiencies. OGP's total FY 2021 budget request remains consistent with the FY 2020 request; however, OGP will partially reallocate funding to better support the development of Government-wide policy and program management.

OGP has been a leader across the Government in the drive to create and adopt quality shared services for mission-support functions. OGP requests \$1 million to support the sharing of quality services and the coordination of management standards.

To advance the creation of more shared service opportunities in the Government, OGP will allocate an additional \$1.2 million to develop and maintain Government-wide standards for travel and real property management and request \$600 thousand and 2 FTE for agency support of P.L. 115-435, the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act). OGP created a new Office of Regulation Management to streamline and modernize the Federal rulemaking process. This office was created in FY 2019 and was resourced with the Regulatory Information Services Center (RISC) team (transferred from the Office of Acquisition Policy) and the eRulemaking program management office. In addition to the current RISC operational costs of \$3.5 million and \$8.5 million in reimbursable authority, OGP will allocate \$1 million and 6 FTE in FY 2021 to assess possible modernization opportunities for the current eRulemaking technology.

OGP requests \$1.5 million for operations and continued support of the Data Center Optimization PMO.

OGP also requests the addition of FTE to support policy formulation for emerging technologies (3 FTE) and for the development of Acquisition Policy (2 FTE).

### **Program Decreases**

OGP's Office of Information Integrity and Access will reduce funding for the Technology Business Management (TBM) Program Management Office by \$1.5 million in FY 2021 because the scope of work has been streamlined to better leverage existing resources. The FY 2021 funding of \$1.4M for the program will include the operation of a Task Order Review Board to help ensure consistent agency implementation of the TBM taxonomy to provide comparable transparency into Federal IT expenditures.

OGP's request includes a \$1.6 million decrease from the Front Office to fund other OGP programs' critical priorities in FY 2021.

Finally, the Working Capital Fund bill has been reduced by a net of \$440 thousand from the FY 2020 level.

### **Reimbursable Programs**

The FY 2021 request includes \$32 million in government-wide contributions to fund CxO Councils and CAP Goal implementation, in accordance with Sec. 721 of P.L. 116-93. CxO Council services include administration of the Federal executive councils (Chief Financial Officers Council, Chief Human Capital Officers Council, Chief Information Officers Council, Chief Acquisition Officers Council, Federal Real Property Council, Federal Privacy Council,

*U.S. General Services Administration  
Government-wide Policy*

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Performance Improvement Council, PMIAA Council, etc.), supporting the implementation of priorities identified in the President's Management Agenda, and accelerating the use of data to influence the creation of effective management strategies.

- The Government-wide Executive Council's budget includes up to \$17 million in transfer authority to support cross-Government initiatives related to mission support activities, management priorities, and challenges.
- Up to \$15 million in transfer authority is budgeted for CAP Goal implementation as identified in the President's Management Agenda. These activities are discussed in more detail in the Executive Office of the President's FY 2021 Congressional Justification.

The OGP budget request includes \$11.9 million in reimbursable funding for the Office of Information Integrity and Access; the Office of Evaluation Sciences; the Office of Acquisition Policy, Federal Acquisition Institute; and the Office of Shared Solutions and Performance Improvement.

- To run and operate the DotGov program for Federal, State, local and Tribal governments, OGP is requesting \$4.5 million in reimbursable authority.
- To continue to provide high-quality data evaluation support to its agency partners, especially given the enactment of the Evidence Act, the Office of Evaluation Sciences is requesting \$2 million in reimbursable authority.
- The FAI submission includes \$2.9 million in reimbursable authority for the agreement with the Acquisition Workforce Training Fund to support implementation of the FAI Improvement Act (41 U.S.C. § 1201 Pub. L. 112-81). The Act promotes career development and strategic human capital management for the Federal civilian agency acquisition workforce. FAI deploys a civilian agency training consortium board that utilizes innovative tools and technology to reduce redundancies, leverage resources, provide for key acquisition workforce data management, and align acquisition workforce development training objectives across Federal civilian agencies.
- OSSPI requests \$2.5 million in reimbursable authority to fund shared service priorities to support the Government-wide management agenda or Federal-wide reform efforts identified by OMB.

**Obligations by Object Classification**  
(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
11.1 Full-time permanent	\$ 17,570	\$ 18,750	\$ 20,524
11.3 Other than full-time permanent	\$ 246	\$ 210	\$ 230
11.5 Other personnel compensation	\$ 280	\$ 286	\$ 286
11.8 Special personnel services payments	\$ 693	\$ 1,100	\$ 1,100
12.1 Civilian personnel benefits	\$ 5,334	\$ 6,375	\$ 6,978
21.0 Travel and transportation of persons	\$ 133	\$ 202	\$ 202
23.3 Communications and utilities	\$ 16	\$ 38	\$ 38
24.0 Printing and reproduction	\$ 213	\$ 447	\$ 447
25.1 Advisory and assistance services	\$ 19,446	\$ 18,598	\$ 21,763
25.2 Other services from non-Federal sources	\$ 160	\$ 270	\$ 240
25.3 Other goods & services from Federal sources	\$ 15,326	\$ 17,664	\$ 13,975
26.0 Supplies and materials	\$ 43	\$ 45	\$ 45
31.0 Equipment	\$ 15	\$ 15	\$ 15
42.0 Insurance claims and indemnities	\$ 34	\$ -	\$ -
<b>99.0 Obligations, Appropriated (Annual)</b>	<b>\$ 59,509</b>	<b>\$ 64,000</b>	<b>\$ 65,843</b>
Subtotal, PC&B	\$ 24,123	\$ 26,721	\$ 29,118
Subtotal, Non-labor	\$ 35,386	\$ 37,279	\$ 36,725
99.2 Obligations, reimbursable	\$ 32,395	\$ 41,851	\$ 43,851
<b>99.9 TOTAL OBLIGATIONS</b>	<b>\$ 91,904</b>	<b>\$ 105,851</b>	<b>\$ 109,694</b>

## **OGP Policy Offices**

### **Office of Asset and Transportation Management**

The Office of Asset and Transportation Management establishes evidence-based Government-wide policies and regulations that help Federal agencies improve the effectiveness and efficiency of managing their assets and transportation. These policy program areas include aircraft and motor vehicles, personal property, real property, transportation, mail, passenger travel, and relocation allowances and entitlements. In FY 2021 this office will continue to develop the Federal Integrated Business Framework (FIBF) process for real property and travel. The FIBF process will establish a common understanding of the data standards, common capabilities, functions and activities, use cases, and performance metrics needed by agencies to manage real property and travel and expense management. The office will also finalize and implement all proposed regulatory actions under the Regulatory Reform initiative to improve Federal policy and guidance to make the Government operate more effectively. In addition, this office will continue to maintain the Federal Travel Regulation and Federal Management Regulations and calculate and publish annual per diem rates. The team will manage several interagency councils and committees that promote best practices, transparency, and accountability and provide advice for establishing and managing Federal advisory committees, as mandated by the Federal Advisory Committee Act. The office will remain focused on collecting reliable data for publication on real property, fleet, personal property, and travel to promote Government-wide asset management decisions, transparency, accountability, and policy development.

### **Office of Evidence and Analysis**

The Office of Evidence and Analysis works to expand the agency's ability to gather, compile, and generate evidence-based analyses from a variety of business systems that provide decision making information for senior leadership. The work of this team will improve the effectiveness of operations, processes, and systems by providing empirical data to inform policy development and operational decision-making. This team collects, stores, and develops Government-wide data to create integrated management metrics, perform predictive policy analysis, and map agency and bureaus to a common structure that allows for comparisons to be made across agencies and administrative functions. The office regularly surveys senior management in the Federal workforce to determine the effectiveness of contracting, human capital, financial management, and IT services of the largest agencies in the Government. This team is leading a data governance process that focuses on business requirements for data and Government-wide data improvement initiatives to make data more valuable and usable for advanced policy analytics efforts.

Through the storage, cataloging, development, integration, and mapping of Government-wide administrative data, this team will help improve the efficiency and effectiveness of Government-wide asset management and administrative functions.

### **Office of Information Integrity and Access**

The Office of Information Integrity and Access supports and enables agency implementation of Government-wide IT policies and programs. This office works directly with the OMB Office of E-Government and Information Technology and the Chief Information Officers Council to support agency Chief Information Officers, IT acquisition professionals, standard-setting organizations, and other IT decision-makers to address common and complex Federal IT challenges, including:

- Internet domain registration and connectivity services for Federal, State, local, and Native Sovereign Nations (NSN) governments;
- Identity, Credential, and Access Management;
- IT accessibility and Section 508 compliance;
- IT infrastructure modernization and data center optimization;
- Technology Business Management implementation support;
- Federal IT Dashboard support; and
- Policy development for emerging technologies, including collaboration with the National Institute of Standards and Technology on IT policy.

OGP manages several Government-wide programs and Communities of Practice (CoP) to drive Federal consensus on the implementation of Federal standards. These CoPs include:

- Cloud & Infrastructure CoP;
- Federal eCPIC Steering Committee;
- Technology Business Management CoP;
- Capital Planning and Investment Control CoP;
- Accessibility CoP;
- Identity, Credential, and Access Management Subcommittee; and
- Federal Web Council.

OGP will establish a new Emerging Technology Policy function to investigate and assess the impact of new and emerging technology (e.g., Artificial Intelligence, Internet of Things, continuous integration/continuous delivery, etc.) on the Government. This function will support the development of policy and standards in technology to help drive consistent implementation across the Federal Government and will leverage insight gained through the GSA communities of practice.

OGP will establish a shared third-party accreditation construct for Government-wide IT product accessibility testing capability. This investment will facilitate over \$70 billion of Federal spending in new IT and website development can be properly tested within the acquisition process, eliminate redundant testing across agencies and reduce the cost of IT system remediation that results from implementation of technology that does not support all citizens.

### **Office of Federal High Performance Buildings**

The Office of Federal High-Performance Buildings supports the overall Federal Government mission to operate more effectively and efficiently, as directed in Executive Order 13834, Efficient Federal Operations. The office supports the implementation of the Energy Independence and Security Act of 2007 and drives efficient use of energy, water, and natural resources. The office advances Federal building innovation in planning design and operations to reduce costs, enable agency missions, enhance human health and performance, and minimize environmental impacts.

Initiatives include:

- Translating buildings and health research into actions to enhance and promote human health and well-being in buildings;
- Analyzing the impact of new processes and technologies (integrated design, grid integration and security, wearable sensors, etc.) to improve building and human health performance;
- Assessing and mitigating risks to critical infrastructure (both to GSA-managed buildings, and supplier-managed resources such as mission-critical energy and telecommunications networks) to enhance mission surety for GSA's tenant and customer agencies;
- Expanding workforce development and data-driven analysis of resulting building performance improvement through implementation of the Federal Buildings Personnel Training Act by all Federal agencies; and
- Developing tools and resources, such as the Sustainable Facilities Tool to save agencies time and money while improving compliance and building performance.

### **Office of Regulation Management**

The Office of Regulation Management is dedicated to using information technology to improve the rulemaking process and regulatory outcomes. Federal regulations address a broad spectrum of activities affecting the American people. The goal of the regulatory system includes protecting health, safety, the environment, homeland security, and improving the performance of the economy in a manner that maximizes net social welfare.

This office works collaboratively with OMB's Office of Information and Regulatory Affairs (OIRA) and partner agencies that support the technology and services that enable public consultation on regulatory proposals and internal coordination of Federal regulatory policy. This office:

- Manages the Regulatory Information Service Center (RISC) team that provides cost effective regulatory planning services for more than 65 Federal agencies;
- On behalf of OIRA, supports regulatory transparency and public participation in the rulemaking process;
- Manages the RISC OIRA Consolidated Information System (ROCIS), Reginfo.gov, the public-facing website that provides information about OIRA's activities and the Unified Agenda and the Regulatory Plans of all Federal agencies;
- Manages Regulations.gov (<https://www.regulations.gov>), the public-facing website that enables citizens to search, view and comment on proposed Federal regulations; and
- Manages the Federal Docket Management System ([www.fdms.gov](http://www.fdms.gov)), a web-based application to allow Federal agencies to more effectively manage their regulatory dockets.

In FY 2021 this office will focus on identifying operational efficiencies across the newly created organization, including business process re-engineering, integration of data and data quality improvements, IT modernization opportunities, introduction of artificial intelligence to improve performance, and other operational improvements to drive program efficiencies.

### **Office of Evaluation Sciences**

The Office of Evaluation Sciences (OES) is an applied evaluation unit charged with improving Federal operations, programs, and policies. OES generates evidence to support decision-making by translating evidence-based insights into concrete recommendations for how to improve the Government and deliver on Federal priorities. In doing this, OES identifies and shares policies and best practices on how to build and use evidence across the Federal Government. OES provides guidance to help agencies adopt and implement leading evaluation practices.

Team members provide end-to-end support in the design of an evidence-based program change and test to measure impact. Between FY 2015 and FY 2019, OES delivered over 70 high-quality, rapid-cycle evaluations to identify actionable findings for agency partners. OES is expanding its reimbursable portfolio and recruitment of academics to support the growing demand for evaluation services across the Government.

Due to the new requirements associated with the Evidence Act, OES has expanded its capacity to provide Government-wide resources on evidence and evaluation policy, as well as implementation support. The Evidence Act requires agencies to undertake a number of activities related to building and using evidence. OES will provide implementation support to both OMB and agencies related to the requirements of the Evidence Act. OES plays a unique Government-wide role by providing training and tools on evaluation methods, standards, and best practices for Government audiences, particularly Evaluation Officers. OES continually updates resources and guidance associated with additional Evidence Act requirements, including resources, templates, and models for Learning Agendas and Evaluation plans, and supports the management of the Evaluation Officer Council.

### **Office of Acquisition Policy**

The Office of Acquisition Policy performs a number of key Government-wide acquisition policy roles:

- Serves as one of the architects of the Federal Acquisition Regulation (FAR), which is the rule book governing all Federal agency procurements;
- Directs acquisition policy in areas related to small business participation, competition, sustainable acquisition, labor policy, cost control, risk management, integrity, and ethics;
- Coordinates with OMB's Office of Federal Procurement Policy and other agencies through its role as the Chair of the Civilian Acquisition Council to implement laws, executive orders, agency regulations, and other initiatives in support of the Federal Government's acquisition system;
- Hosts the Federal Acquisition Institute (FAI) which, in coordination with OMB's Office of Federal Procurement Policy and the interagency FAI Board of Directors, is responsible for managing the Acquisition Workforce Training Fund to promote acquisition career development and strategic human capital management for the Federal civilian-agency acquisition workforce;
- Provides the electronic version of the FAR, through [acquisition.gov](https://www.acquisition.gov), used by the acquisition workforce and industry working with the Federal Government; and
- Manages web content for the Chief Acquisition Officer Council ([cao.gov](https://www.cao.gov)), Federal Acquisition Regulatory Council, Civilian Agency Acquisition Council, and the Interagency Sustainment and Debarment Committee.

In addition to its Government-wide role, this office is responsible for driving efficient and effective acquisition performance, workforce management, and development within GSA.

The Procurement Management Review (PMR) function assesses GSA's acquisition centers and activities and reports on compliance with procurement laws and regulations. In FY 2021 GSA

will build on the data analytics capabilities established on the Acquisition Dashboard to deliver more robust and timely analysis of contracting activities' performance, including compliance with laws, regulations, and policies.

The General Services Acquisition Policy Division writes and revises the General Services Administration Acquisition Manual, GSA's internal rules on how to acquire goods and services. The division will continue to implement changes to the FAR as well as key Administration policies in accordance with OMB Circular A-4.

The Suspension & Debarment and Contract Remedies Division processes suspension and debarment cases and issues agency protest decisions.

### **Office of Shared Solutions and Performance Improvement (OSSPI)**

OSSPI leverages data, subject matter expertise, and its authority to convene Federal stakeholder groups. OSSPI improves the delivery of mission by: (1) informing and shaping policy and transformation opportunities of mission-support functions; (2) enabling evidence-based performance management; and (3) building strategies and support for agencies as they plan for and execute transformational initiatives that align to the goals set forth in the President's Management Agenda.

The office continues to provide analytical, management, and administrative services to the following Federal management councils:

- Chief Acquisition Officers Council
- Chief Human Capital Officers Council
- Chief Financial Officers Council
- Chief Information Officers Council
- Performance Improvement Council
- President's Management Council
- Chief Human Capital Officers Councils
- Program Management Policy Council

OSSPI provides support to related sub-councils and boards, including the Shared Solutions Governance Board and Business Standards Council.

OSSPI also works with stakeholders from across the Government to improve the efficiency and effectiveness of the Government's mission-support services in the short and long term, leading to improved performance, customer experience, and operational costs. Specifically, the office coordinates governance, executes Government-wide shared services program management,

and develops processes to support the development and implementation of OMB policy as it relates to mission-support services. The mission-support services included in the shared services initiative include, but are not limited to: financial management, civilian HR transaction services, grants management, and cybersecurity services.

OSSPI furthermore coordinates the White House Leadership Development Program (WHLDP) and the CXO Fellows Program, which aim to strengthen enterprise leadership across the Government by providing mid- and senior-level Federal employees with expanded perspective and skill sets to address challenges facing the country. These increasingly complex challenges span agencies and jurisdictions, requiring leaders to be trained in working across agencies and organizational boundaries while leveraging networks on a greater scale than in the past to ensure the Government continues to effectively deliver services to the American people.

In FY 2021 OSSPI intends to facilitate the adoption of centralized mission-support capabilities across the Government to drive scale, standardization and efficiency. The office will enhance its data analytics capability to improve agencies' decision-making practices and to support policy development for mission-support functions. OSSPI will continue its provision of analytical, management, and administrative support to Federal executive councils as they lead initiatives to spur innovation, elevate best practices, and bridge policy making and implementation to improve outcomes. Through the CXO Fellows and WHLDP development programs, OSSPI will continue to enhance the program to shape future Government leaders.

**U.S. General Services Administration**

**OPERATING EXPENSES**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language .....	2
Program Description .....	2
Amounts Available for Obligation .....	3
Funding by Program .....	4
Explanation of Changes by Program, Appropriated Dollars and FTE .....	5
Obligations by Object Classification .....	6
Summary of the Request .....	7
Federal Acquisition Service, Personal Property Utilization and Donation .....	8
FY 2021 Budget Request.....	8
Program Description .....	8
Public Buildings Service, Office of Real Property Utilization and Disposal.....	11
FY 2021 Budget Request.....	11
Program Description .....	11
Executive Direction .....	12
FY 2021 Budget Request.....	12
Program Description .....	13

*U.S. General Services Administration  
Operating Expenses*

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**Appropriations Language**

For expenses authorized by law, not otherwise provided for, for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; agency-wide policy direction, management, and communications; and services as authorized by 5 U.S.C. 3109; **\$49,440,000**, of which not to exceed \$7,500 is for official reception and representation expenses.

**Program Description**

This appropriation supports a variety of operational activities that are not feasible or appropriate for a user fee arrangement. Major programs include the personal property utilization and donation activities of the Federal Acquisition Service; the real property utilization and disposal activities of the Public Buildings Service; and Executive Management and Administration activities including support of Government-wide mission-assurance activities.

U.S. General Services Administration  
Operating Expenses

**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<i>Unobligated balance, start of year</i>	\$ 772	\$ 772	\$ 3,772
Discretionary authority:			
<b>Annual appropriation</b>	<b>\$49,440</b>	<b>\$52,440</b>	<b>\$49,440</b>
Reimbursable authority			
New authority	\$ 6,591	\$14,740	\$14,740
Change in uncollected payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Subtotal, reimbursable authority	\$6,591	\$14,740	\$14,740
Reimbursable authority, expiring	\$ -	\$ -	\$ -
Appropriations authority, expiring	\$ (1,434)	\$ -	\$ -
Recovery of prior-year obligations	\$ -	\$ -	\$ -
Unobligated balance, lapsing	\$ -	\$ -	\$ -
Unobligated balance, reimbursable	\$ (3,033)	\$ -	\$ -
Unobligated balance, rescinded	\$ -	\$ -	\$ -
Unobligated balance, sequestered.	\$ -	\$ -	\$ -
Unobligated balance, end of year	<u>\$ (772)</u>	<u>\$ (3,772)</u>	<u>\$ (3,772)</u>
Total, obligations	\$51,564	\$64,180	\$64,180
<b>Obligations, appropriated (annual)</b>	<b>\$48,006</b>	<b>\$49,440</b>	<b>\$49,440</b>
Obligations, reimbursable	\$ 3,558	\$14,740	\$14,740
Net Outlays	\$47,931	\$51,930	\$49,950

*U.S. General Services Administration*  
*Operating Expenses*

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**Funding by Program**

(Dollars in Thousands)

	FY 2019		FY 2020		FY 2021	
	Actual		Enacted		Request	
	FTE	Authority	FTE	Authority	FTE	Authority
<b>1. Personal Property Management</b>						
Annual appropriation	53	\$ 8,644	53	\$ 9,419	53	\$ 9,419
Reimbursable authority	<u>8</u>	<u>\$ 1,685</u>	<u>9</u>	<u>\$ 3,165</u>	<u>9</u>	<u>\$ 3,165</u>
Subtotal, PPM	61	\$10,329	62	\$12,584	62	\$12,584
<b>2. Real Property Disposal</b>						
Annual appropriation	71	\$16,990	83	\$17,471	83	\$17,471
Reimbursable authority	<u>4</u>	<u>\$ 1,873</u>	<u>7</u>	<u>\$11,500</u>	<u>7</u>	<u>\$11,500</u>
Subtotal, RPD	75	\$18,863	90	\$28,971	90	\$28,971
<b>3. Executive Direction</b>						
Annual appropriation	73	\$22,372	82	\$22,550	79	\$22,550
Reimbursable authority	<u>0</u>	<u>\$ -</u>	<u>0</u>	<u>\$ 75</u>	<u>0</u>	<u>\$ 75</u>
Subtotal, M&A	73	\$22,372	82	\$22,625	79	\$22,625
<b>4. System for Award Management</b>						
Annual appropriation	0	\$ -	0	\$ 3,000	0	\$ -
Reimbursable authority	<u>0</u>	<u>\$ -</u>	<u>0</u>	<u>\$ -</u>	<u>0</u>	<u>\$ -</u>
Subtotal, M&A	0	\$ -	0	\$ 3,000	0	\$ -
<b>Total, Annual appropriated</b>	<b>197</b>	<b>\$48,006</b>	<b>218</b>	<b>\$52,440</b>	<b>215</b>	<b>\$49,440</b>
Total, Reimbursable	<b>12</b>	<b>\$ 3,558</b>	<b>16</b>	<b>\$14,740</b>	<b>16</b>	<b>\$14,740</b>
Total, Budget Authority	209	\$51,564	234	\$67,180	231	\$64,180

U.S. General Services Administration  
Operating Expenses

**Explanation of Changes by Program, Appropriated Dollars and FTE**

(Dollars in Thousands)

	PPM		RPD		EXEC		SAM		TOTAL	
	FTE	Authority (\$000)	FTE	Authority (\$000)	FTE	Authority (\$000)	FTE	Authority (\$000)	FTE	Authority (\$000)
<b>FY 2020 Enacted</b>	53	\$ 9,419	83	\$ 17,471	82	\$ 22,550	0	\$ 3,000	218	\$ 52,440
<b>Program Increases:</b>										
Salaries and Benefits		\$ -		\$ -		\$ -		\$ -		\$ -
Travel and Transportation		\$ -		\$ -		\$ -		\$ -		\$ -
Rent		\$ -		\$ -		\$ -		\$ -		\$ -
Communications		\$ -		\$ -		\$ -		\$ -		\$ -
Contracts		\$ -		\$ -		\$ 577		\$ -		\$ 577
Supplies		\$ -		\$ -		\$ -		\$ -		\$ -
<b>Subtotal, Program Increases:</b>	-	\$ -	-	\$ -	-	\$ 577	-	\$ -	-	\$ 577
<b>Program Decreases</b>										
<b>Decreases:</b>	-	\$ -	-	\$ -	(3)	\$ (577)		\$ (3,000)	(3)	\$ (3,577)
<b>FY 2021 Request</b>	<b>53</b>	<b>\$ 9,419</b>	<b>83</b>	<b>\$ 17,471</b>	<b>79</b>	<b>\$ 22,550</b>	<b>0</b>	<b>\$ -</b>	<b>215</b>	<b>\$ 49,440</b>

U.S. General Services Administration  
Operating Expenses

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
11.1 Full-time, permanent	\$ 20,715	\$ 23,801	\$ 23,401
11.3 Other than full-time permanent	\$ 1,921	\$ -	\$ -
11.5 Other personnel compensation	\$ 302	\$ 157	\$ 157
11.8 Special personnel services payments	\$ 106	\$ -	\$ -
12.1 Civilian personnel benefits	\$ 7,162	\$ 8,658	\$ 8,513
13.0 Benefits for former personnel	\$ -	\$ -	\$ -
21.0 Travel and transportation of persons	\$ 861	\$ 779	\$ 763
22.0 Transportation of things	\$ -	\$ -	\$ -
23.1 Rental payments to GSA	\$ 983	\$ 1,061	\$ 990
23.2 Rental payments to others	\$ -	\$ -	\$ -
23.3 Communications and utilities	\$ 69	\$ 143	\$ 143
24.0 Printing and reproduction	\$ 0	\$ -	\$ -
25.1 Advisory and assistance services	\$ 3,392	\$ 832	\$ 1,399
25.2 Other services from non-Federal sources	\$ 13	\$ 4	\$ -
25.3 Other goods & services from Federal sources	\$ 12,339	\$ 13,953	\$ 14,024
25.4 Operation and maintenance of facilities	\$ -	\$ -	\$ -
25.6 Medical care	\$ 87	\$ -	\$ -
25.7 Operation and maintenance of equipment	\$ -	\$ -	\$ -
26.0 Supplies and materials	\$ -	\$ 35	\$ 33
31.0 Equipment	\$ 13	\$ 17	\$ 17
42.0 Insurance claims and indemnities	\$ 43	\$ -	\$ -
43.0 Interest and dividends	\$ -	\$ -	\$ -
44.0 Refunds	\$ -	\$ -	\$ -
<b>99.0 Obligations, Appropriated (Annual)</b>	<b>\$ 48,006</b>	<b>\$ 49,440</b>	<b>\$ 49,440</b>
<i>Subtotal, PC&amp;B</i>	\$ 30,206	\$ 32,616	\$ 32,071
<i>Subtotal, Non-labor</i>	\$ 17,800	\$ 16,824	\$ 17,369
99.2 Obligations, reimbursable	\$ 3,558	\$ 14,740	\$ 14,740
99.9 Total obligations	\$ 51,564	\$ 64,180	\$ 64,180

*Note: The FY 2020 Enacted column does not include obligations for the \$3M provided in the FY2020 Consolidated Appropriations Act (P.L. 116-93) for the Integrated Award Environment to work with the Internal Revenue Services to implement changes for the electronic certifications for delinquent tax liabilities.*

## Summary of the Request

The FY 2021 request provides a total of \$49.4 million and 215 FTE for the base program for Operating Expenses (OE). This request represents a six percent decrease from the FY 2020 enacted level. FY 2020 included \$3 million for the Integrated Award Environment to work with the Internal Revenue Services to implement changes for the electronic certifications for delinquent tax liabilities.

**Appropriated Program:** The OE appropriation supports the following programs:

- Personal Property Utilization and Donation: transfers personal property no longer needed by a Federal agency to other Federal agencies, State and local governments, and nonprofit organizations;
- Office of Real Property Utilization and Disposal: transfers or sells unneeded real property assets to benefit the Federal Government and surrounding communities; and
- Executive Direction: provides agency-wide direction and supports Government-wide mission assurance activities.

*U.S. General Services Administration  
Operating Expenses*

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**Reimbursable Program:** In FY 2021 the OE appropriation will provide reimbursable services to other Federal agencies in the amount of \$14.7 million, a level that supports 16 FTE. This amount includes:

(1) \$3.2 million and 9 FTE for the Personal Property Center, which serves as a repository of unwanted Federal personal property. The excess personal property is available for screening by Federal, State, and other eligible donees at the facility.

(2) \$11.5 million and 7 FTE for real estate disposal services for: (a) specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and (b) real property seized, forfeited, or foreclosed on by other agencies; and

(3) \$75 thousand for Emergency Support Function #7 (ESF-7) under the national response framework. Office of Mission Assurance personnel are responsible for coordinating ESF-7 activities on behalf of GSA. This support is provided pursuant to 44 C.F.R. § 206.208(d). All personnel hours (overtime), travel, and other costs for activities in support of the response and recovery efforts are reimbursable under a Mission Assignment issued by the Federal Emergency Management Agency.

### **Federal Acquisition Service, Personal Property Utilization and Donation**

#### **FY 2021 Budget Request**

The FY 2021 budget request provides \$9.4 million and 53 FTE for the Personal Property Utilization and Donation program, which is flat in comparison to the FY 2020 enacted level.

#### **Program Description**

The Federal Acquisition Service (FAS) Personal Property program facilitates the transfer and reutilization of excess Federal personal property. Personal property no longer needed by a Federal agency may be offered at no cost to other Federal agencies, State and local governments, and eligible nonprofit organizations. These functions are managed and operated by the Utilization and Donation program, which is funded through the Operating Expenses appropriation.

#### **Utilization and Donation**

The Utilization and Donation (U&D) program saves money for the Federal Government and recipient organizations by promoting the efficient utilization and disposal of Government personal property. When federally owned personal property is determined to be “excess,” it is first offered to other Federal agencies and transferred at no cost upon request. All Federal

agencies must use excess personal property as the first source of supply in lieu of new procurements. If the property is not needed by any Federal agency, it is declared “surplus” and is offered for donation to State and local governments and other eligible donees.

In FY 2020 and FY 2021, U&D will work to implement the Veterans Small Business Enhancement Act of 2018, in partnership with the U.S. Small Business Administration (SBA) and the States, to provide surplus Federal personal property to Veteran-Owned Small Businesses. This will involve collaboration with SBA to establish program rules and regulations, and the execution of up to 56 Memorandums of Agreement with State agencies. U&D will aggressively work to modernize its business systems to better serve customers, improve the reuse of Federal assets, and reform outmoded business processes. Additionally, U&D will pursue several initiatives to improve program efficiency, including standardizing commonly provided customer training classes, piloting a virtual State review process, and collaborating with agencies to improve property reporting.

The U&D program provides the following services to Federal agencies, State and local governments, and eligible property recipients:

- **Federal Excess Personal Property Reutilization Program:** maximizes reutilization of Federal excess personal property by Federal agencies, transferring over \$927 million in Original Acquisition Cost (OAC) property between agencies in FY 2019 alone.
- **Surplus Federal Personal Property Donation Program:** in partnership with States, donates over \$374 million (FY 2019 OAC) in surplus Federal property to eligible recipients, including State and local government agencies, and non-profit organizations supporting education, health, veterans, the elderly, and others.
- **GSA-hosted Computers for Learning Website:** GSA hosts a website through which Federal agencies have the option to transfer computer equipment to schools and educational non-profits (\$56 million OAC donated in FY 2019).
- **Foreign Gifts Program:** manages the custody, screening, and reassignment of foreign gifts received from foreign governments by Federal employees as a result of their official positions.
- **Surplus Federal Firearms Donation Program:** manages the donations of surplus civilian agency firearms to State and local law enforcement agencies, including conducting annual inventories and enforcing the terms of the donation in perpetuity.

*U.S. General Services Administration  
Operating Expenses*

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- **Agency Asset Management System:** offers this shared, fee-for-service module within GSAXcess<sup>®</sup>, which allows Federal agencies to internally screen their excess personal property and avoid redundant, manual data entry.
- **Springfield Personal Property Center:** provides excess personal property disposal services to Federal agencies in the Washington, D.C., area for a nominal fee.

**Sales**

When excess personal property cannot be disposed of through reutilization or donation, the FAS Personal Property Sales Program provides services to Federal agencies for sale of property directly to the public. This part of the program is not funded through the OE appropriation. It is funded through the Acquisition Services Fund (ASF). More information on this program can be found in the ASF section of GSA's FY 2021 Congressional Justification.

## **Public Buildings Service, Office of Real Property Utilization and Disposal**

### **FY 2021 Budget Request**

The FY 2021 Budget request provides \$17.5 million and 83 FTE for the Office of Real Property Utilization and Disposal (RPUD), which is flat in comparison to the FY 2020 enacted level.

The program's activities are vital to the Government-wide effort to reduce real estate expenses by improving the utilization of real property assets and disposing of surplus assets in a timely manner. RPUD plays an integral role in the ongoing execution of recent legislation focused on the disposal of Federal real estate, including the Federal Assets Sale and Transfer Act of 2016 and the Federal Property Management Reform Act of 2016. RPUD looks forward to implementing the Administration's proposal to expand the authorities of the GSA Disposal Fund, assisting agencies with readying assets for disposition.

### **Program Description**

The Office of Real Property Utilization and Disposal (RPUD) works with the majority of Federal landholding agencies to develop real estate strategies (e.g., conveyances, exchanges, relocations and sales) to identify and better manage underutilized assets. The RPUD program offers Federal clients a wide range of realty services, expert guidance, and analytical tools. Services include: transaction support, due diligence analysis, targeted asset reviews, highest and best use studies, appraisals, marketing strategies, environmental assessments, and historic evaluations. This program leverages its services, tools, and expertise to drive optimal real estate outcomes that are tailored to an agency's unique mission requirements. These outcomes result in more efficient operation of the Federal real property portfolio. To complement its expertise and to enhance service offerings, RPUD provides a variety of contractual vehicles that offer Federal clients access to realty and environmental firms. RPUD employs the following programs and tools, among others:

**Public Benefit Conveyances (PBCs):** When property is no longer needed by the Federal Government, RPUD partners with Federal sponsoring agencies to make surplus real property available to eligible entities for certain public purposes such as public health, homeless assistance, education, law enforcement, emergency management, and recreation. RPUD conducts compliance inspections to ensure properties are used as intended. Through the end of July 2019, RPUD conveyed 30 properties with an estimated market value of \$5.2 million.

**Early Transfer Authority:** Early Transfer Authority (ETA) allows the Federal Government to transfer property to non-Federal entities before the completion of environmental cleanup, as long as safeguards are in place to protect human health and the environment.

*U.S. General Services Administration  
Operating Expenses*

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**Lighthouse Program:** The National Historic Lighthouse Preservation Act (NHLPA) authorizes RPUD to divest historic lighthouses in partnership with the Coast Guard and the National Park Service. NHLPA recognizes the cultural, recreational, and educational value associated with these historic resources by allowing lighthouses to be conveyed at no cost to Federal agencies, State and local governments, and non-profit organizations that have the resources and expertise to preserve and manage the asset. If a suitable steward is not identified, RPUD is authorized to divest of the property through a competitive public sale.

**Utilization Studies:** RPUD provides objective real property reviews for landholding agencies. These asset reviews can be targeted toward an individual asset or a portfolio of assets depending on the needs of the landholding agency. These studies provide critical information to support viable realty strategies.

**Online Auctions:** For over a decade RPUD has been efficiently selling surplus properties via a dedicated auction website (realestatesales.gov). This sales method maximizes the sale price because it reaches a larger base of buyers at a lower cost than traditional outcry auctions. In the 5-year period ending in FY 2019, RPUD sold 510 properties via auction for more than \$361 million in gross receipts.

**Reimbursable Services:** Certain Federal landholding agencies have their own real estate authority but utilize RPUD to perform realty services on their behalf. RPUD provides these services through interagency agreements, on a reimbursable basis. Services range from the management and execution of all aspects of a disposition project to specific tasks to inform a utilization decision or implement a disposition strategy.

## **Executive Direction**

### **FY 2021 Budget Request**

The FY 2021 request for Executive Direction provides \$22.6 million and 79 FTE, which is equal to the FY 2020 enacted level. Beginning in FY 2021, three Office of Strategic Communication FTE will be realigned from the Operating Expenses account to the Working Capital Fund (WCF). The savings from those three FTE will be reinvested into GSA's Agency Reform Plan Initiatives and agency priorities, for a total of \$5.8 million. This funding will enable GSA to continue to pursue projects that will, among other goals, better leverage data as a strategic asset by implementing key actions in support of the Foundations for Evidence-Based Policymaking Act (Pub. L. 115-435), improve customer experience, make internal operations more efficient, and expand shared service offerings to meet cross-government needs.

### **Program Description**

This program area supports a variety of general management and administrative activities associated with GSA internal operations. These activities include: (1) the Offices of the Administrator and the Regional Administrators, (2) the Office of Congressional and Intergovernmental Affairs, (3) the Office of Mission Assurance, and (4) the Executive Direction Corporate Account. In FY 2020, this account will also work with the Integrated Award Environment on electronic certifications for delinquent tax liabilities in support of FY 2020 Consolidated Appropriations Act (P.L. 116-93)

**The Offices of the Administrator and Regional Administrators** are responsible for the execution of all functions assigned to GSA by law and regulation. These Offices are responsible for driving the vision, mission, and values of the GSA.

**Office of Congressional and Intergovernmental Affairs (OCIA)** is the GSA liaison with Congress, State and local governments, foreign governments, and partner Federal agencies. OCIA coordinates meetings and testimony before Congressional Committees, helps Congressional offices resolve issues related to GSA programs and services, supports the GSA legislative program with the Congress, and coordinates reimbursable services through the GSA WCF to over 1,400 House-district and Senate-state offices for the Congress. OCIA also facilitates interactions between GSA officials and delegations representing foreign, State, and local governments.

**The Office of Mission Assurance (OMA)** executes GSA responsibilities during domestic and national security emergencies to aid Federal agencies and State and local governments, supports client agency needs, and restores GSA operations. OMA ensures the continuation of the agency's critical business processes by integrating and coordinating activities across all domains of security (physical, cyber, personnel, and industrial), HSPD-12 credentialing, emergency management, contingency and continuity planning, and disaster response. The OMA continuity mission is authorized by the National Continuity Policy (NSPD-51/HSPD-20) and directly supports GSA responsibilities to recover and perform primary mission-essential functions during a continuity event. Certain OMA activities are funded from the WCF to assure the safety, privacy, and security of GSA facilities, people, and IT assets nationwide.

**The Executive Direction Corporate Account** funds agency priorities, WCF payments, regional rent, and security for the organizations under Executive Direction.

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**U.S. General Services Administration**

**ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language .....	2
Program Description .....	2
Summary of the Request .....	2
FY 2021 Explanation of Changes.....	2
Amount Available for Obligation .....	3
Obligations by Object Classification .....	4
FY 2021 Budget Request by Former President.....	5

U.S. General Services Administration  
Allowances and Office Staff for Former Presidents

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**Appropriations Language**

For carrying out the provisions of the Act of August 25, 1958 as amended (3 U.S.C. 102 note) and Public Law 95-138, **\$3,915,270**.

**Program Description**

This appropriation provides pensions, office staffs, and related expenses for former Presidents Jimmy Carter, William Clinton, George W. Bush, and Barack Obama.

**Summary of the Request**

The FY 2021 proposed budget provides a total of \$3.9 million for the annual pensions of the former presidents and compensation of their office staff and related expenses. GSA has a statutory requirement to support these activities under the Former Presidents Act of 1958 as amended (3 U.S.C. 102 note).

**FY 2021 Explanation of Changes**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
	\$ 4,796	\$ 3,851	\$ 3,915
<b>Program Increases:</b>			\$ 64
<b>Program Decreases:</b>			
None			\$ -
<b>Total Adjustments</b>			\$ 64

The FY 2021 Budget request includes an increase of \$64 thousand. The Department of Homeland Security's estimate for protection services increased by \$41 thousand in FY 2021. Additionally, rent is increasing by \$23 thousand due to an office move for Former President Clinton that will occur at the end of FY 2020.

*U.S. General Services Administration  
Allowances and Office Staff for the Former Presidents*

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**Amount Available for Obligation**  
(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Discretionary authority:			
<b>Annual appropriation</b> .....	\$ 4,796	\$ 3,851	\$ 3,915
Unobligated balance, expiring.....	\$ (788)	\$ -	\$ -
Unobligated balance, rescinded.....	\$ -	\$ -	\$ -
Unobligated balance, sequestered.....	\$ -	\$ -	\$ -
Unobligated balance, end of year.....	\$ -	\$ -	\$ -
Total, obligations.....	<u>\$ 4,008</u>	<u>\$ 3,851</u>	<u>\$ 3,915</u>
<i>Net Outlays</i> .....	<u>\$ 3,966</u>	<u>\$ 3,812</u>	<u>\$ 3,876</u>

U.S. General Services Administration  
 Allowances and Office Staff for Former Presidents

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
11.8 Special personnel services payments.....	\$ 363	\$ 306	\$ 288
12.1 Civilian personnel benefits.....	\$ 317	\$ 367	\$ 336
13.0 Benefits for former personnel.....	\$ 927	\$ 903	\$ 930
21.0 Travel and transportation of persons.....	\$ 6	\$ 13	\$ 8
22.0 Transportation of things.....	\$ 12	\$ -	\$ -
23.1 Rental payments to GSA.....	\$ 1,815	\$ 1,673	\$ 1,715
23.2 Rental payments to others.....	\$ 4	\$ -	\$ -
23.3 Communications and utilities.....	\$ 186	\$ 219	\$ 206
24.0 Printing and reproduction.....	\$ 31	\$ 47	\$ 52
25.1 Advisory and assistance services.....	\$ 99	\$ 147	\$ 146
25.2 Other services from non-Federal sources.....	\$ -	\$ -	\$ -
25.3 Other goods & services from Federal sources.....	\$ 143	\$ 61	\$ 111
25.4 Operation and maintenance of facilities.....	\$ 24	\$ 4	\$ 4
25.7 Operation and maintenance of equipment.....	\$ 34	\$ -	\$ -
26.0 Supplies and materials.....	\$ 26	\$ 34	\$ 37
31.0 Equipment.....	\$ 21	\$ 77	\$ 82
<b>99.0 Obligations, Appropriated (Annual).....</b>	<b>\$ 4,008</b>	<b>\$ 3,851</b>	<b>\$ 3,915</b>
<i>Subtotal, PC&amp;B.....</i>	<i>\$ 1,607</i>	<i>\$ 1,576</i>	<i>\$ 1,555</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 2,401</i>	<i>\$ 2,275</i>	<i>\$ 2,360</i>

*U.S. General Services Administration  
Allowances and Office Staff for the Former Presidents*

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**FY 2021 Budget Request by Former President**

(Dollars in Thousands)

	CARTER	CLINTON	G W BUSH	OBAMA	TOTAL
Personnel Compensation	\$ -	\$ 96	\$ 96	\$ 87	\$ 279
Personnel Benefits	\$ -	\$ 123	\$ 110	\$ 101	\$ 334
Pensions for Former Presidents	\$ 219	\$ 237	\$ 231	\$ 244	\$ 930
Travel	\$ -	\$ -	\$ 8	\$ 5	\$ 13
Rental Payments to GSA	\$ 118	\$ 537	\$ 500	\$ 542	\$ 1,697
Communications, Utilities, and Misc	\$ 17	\$ 1	\$ 162	\$ 40	\$ 219
Printing	\$ 5	\$ 17	\$ 5	\$ 24	\$ 51
Other Services	\$ 120	\$ 73	\$ 35	\$ 45	\$ 272
Supplies	\$ 2	\$ 7	\$ 20	\$ 11	\$ 40
Equipment	\$ -	\$ 26	\$ 5	\$ 49	\$ 80
<b>FY 2020 Request</b>	<b>\$ 480</b>	<b>\$ 1,117</b>	<b>\$ 1,171</b>	<b>\$ 1,147</b>	<b>\$ 3,915</b>

\*Personnel Compensation and Benefits for former President Carter are provided by contract support categorized under 'Other Services'.

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**U.S. General Services Administration**  
**CIVILIAN BOARD OF CONTRACT APPEALS**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language	<b>2</b>
Background	<b>2</b>
Program Description	<b>2</b>
Amounts Available for Obligation (Dollars in Thousands)	<b>3</b>
Explanation of Changes, Appropriated Dollars and FTE (Dollars in Thousands)	<b>4</b>
Summary of the Request	<b>4</b>
Obligations by Object Classification (Dollars in Thousands)	<b>5</b>

## **Appropriations Language**

*For expenses authorized by law, not otherwise provided for, for the activities associated with the Civilian Board of Contract Appeals, \$9,625,000, of which \$2,000,000 shall remain until expended.*

## **Background**

In FY 2021, the Civilian Board of Contract Appeals (CBCA), an independent tribunal housed within the General Services Administration (GSA), continues to have a separate appropriation from GSA's Operating Expenses appropriation. This separate appropriation reflects the independent nature of the CBCA and increases transparency to Congress and stakeholders by providing additional detail about the CBCA appropriation.

The CBCA request for FY 2019 and FY 2020 was flat at \$9,301,000. These appropriations were only sustainable due to staff attrition and reduced contractual services. For FY 2021, the CBCA requests an increase to its available funds for new hires, terminal leave for several employees, increased salaries, increased workload, increased travel, and to satisfy the tax escalation costs under its lease agreement. The CBCA also requests that a portion of the appropriation (\$2,000,000) be available until expended to allow for the flexibility to carry forward resources to address the unpredictable increased workload and travel costs related to the amendment to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), which gave CBCA additional responsibility to arbitrate certain Federal Emergency Management Agency (FEMA) disputes without reimbursement or additional funding.

## **Program Description**

The CBCA provides the prompt, efficient, and inexpensive resolution of various disputes involving Federal executive branch agencies. The CBCA adjudicates contract disputes under the Contract Disputes Act (CDA) between Government contractors and all civilian executive agencies other than the National Aeronautics and Space Administration, the United States Postal Service, the Postal Rate Commission, and the Tennessee Valley Authority. Resolving CDA disputes can be accomplished by holding a hearing, deciding on the record or achieving settlement through alternative dispute resolution (ADR). The CBCA judges will hold a hearing or engage in ADR in the CBCA's offices or they will travel, at the CBCA's expense, to a mutually agreed upon location.

The CBCA also hears and decides other types of cases, including cases arising under the Indian Self-Determination Act; disputes between insurance companies and the Department of Agriculture's Risk Management Agency involving actions of the Federal Crop Insurance Corporation; claims by Federal civilian employees from all executive branch agencies (including Department of Defense agencies) for reimbursement of expenses incurred while on official temporary duty travel or in connection with relocation to a new duty station; claims by carriers or

freight forwarders involving actions of GSA regarding payment for transportation services; and applications by prevailing private parties for recovery of litigation costs under the Equal Access to Justice Act.

The CBCA provides ADR services to executive agencies on matters not covered by the CDA. In 2018, Congress amended the Stafford Act, 42 U.S.C. 5189a(d), to authorize (without additional funding) the Board to arbitrate disputes between applicants and FEMA as to eligibility for public assistance (or repayment of past public assistance) for disasters after January 1, 2016, when the disputed amount exceeds \$500,000 or, for an applicant in a rural area, is at least \$100,000. The CBCA travels for these cases at its own expense. Additionally, the CBCA provides ADR services on a reimbursable basis to the Department of Energy National Laboratories, the Smithsonian Institution, the Millennium Challenge Corporation, and FEMA for Hurricanes Katrina and Rita.

**Amounts Available for Obligation (Dollars in Thousands)**

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Discretionary authority:			
<b>Annual appropriation</b>	\$ 9,301	\$ 9,301	\$ 9,625
Reimbursable authority:			
New authority	\$ 75	\$ 50	\$ 50
Change in uncollected payments	\$ -	\$ -	
Subtotal, reimbursable authority	\$ 75	\$ 50	\$ 50
Appropriation's authority, expiring			
Total, obligations	\$ 9,376	\$ 9,351	\$ 9,675
<b>Obligations, appropriated (annual)</b>	\$ 9,301	\$ 9,301	\$ 9,625
Obligations, reimbursable	\$ 75	\$ 50	\$ 50
Net Outlays	\$ 9,208	\$ 9,208	\$ 9,529

U.S. General Services Administration  
 Civilian Board of Contract Appeals

**Explanation of Changes, Appropriated Dollars and FTE** (Dollars in Thousands)

	FTE	FY 2019 Actual	FTE	FY 2020 Enacted	FTE	FY 2021 Request
	41.0	\$ 9,301	41.0	\$9,301	41.0	\$ 9,625
<b>Program Increases:</b>						
Personnel Compensation and Benefits						\$ 175
Travel and Transportation						\$ 15
Rent						\$ 38
Operation and maintenance of facilities						\$ 2
Operation and maintenance of equipment						\$ 2
Contractual Services						\$ 129
Supplies, Materials, and Equipment						
Subtotal, Program Increases						\$ 361
<b>Program Decreases:</b>						
Supplies, Materials, and Equipment						\$ (37)
Subtotal, Program Decreases						
<b>Total Adjustments</b>						<b>\$ 324</b>

**Summary of the Request**

The FY 2021 budget provides \$9,625,000, of which \$2,000,000 shall remain until expended and 41 full time equivalent (FTE) for the CBCA. The budget also includes \$50,000 in authority for reimbursable ADR services, in accordance with 5 U.S.C. § 573.

**Obligations by Object Classification** (Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
11.1 Full-time, permanent.....	\$ 4,286	\$ 4,389	\$ 4,476
11.3 Other than full-time permanent.....	\$ 174	\$ 177	\$ 170
11.5 Other personnel compensation.....	\$ 32	\$ 38	\$ 41
11.8 Special personnel services payments.....	\$ -	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ 1,242	\$ 1,280	\$ 1,372
13.0 Benefits for former personnel.....	\$ -	\$ -	\$ -
21.0 Travel and transportation of persons.....	\$ 30	\$ 30	\$ 45
22.0 Transportation of things.....	\$ -	\$ -	\$ -
23.1 Rental payments to GSA.....	\$ 2,451	\$ 2,483	\$ 2,518
23.2 Rental payments to others.....	\$ -	\$ -	\$ -
23.3 Communications and utilities.....	\$ 40	\$ 40	\$ 43
24.0 Printing and reproduction.....	\$ -	\$ -	\$ -
25.1 Advisory and assistance services.....	\$ 40	\$ 42	\$ 46
25.2 Other services from non-Federal sources.....	\$ 20	\$ 20	\$ 20
25.3 Other goods & services from Federal sources.....	\$ 655	\$ 521	\$ 646
25.4 Operation and maintenance of facilities.....	\$ 20	\$ 20	\$ 22
25.6 Medical care.....	\$ -	\$ -	\$ -
25.7 Operation and maintenance of equipment.....	\$ 6	\$ 9	\$ 11
26.0 Supplies and materials.....	\$ 126	\$ 120	\$ 120
31.0 Equipment.....	\$ 179	\$ 132	\$ 95
32.0 Land and structures.....	\$ -	\$ -	\$ -
44.0 Refunds.....	\$ -	\$ -	\$ -
<b>99.0 Obligations, Appropriated (Annual).....</b>	<b>\$ 9,301</b>	<b>\$ 9,301</b>	<b>\$ 9,625</b>
<i>Subtotal, PC&amp;B.....</i>	<i>\$ 5,734</i>	<i>\$ 5,884</i>	<i>\$ 6,059</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 3,567</i>	<i>\$ 3,417</i>	<i>\$ 3,566</i>
99.2 Obligations, Reimbursable.....	\$ 75	\$ 50	\$ 50
99.9 Total obligations.....	\$ 9,376	\$ 9,351	\$ 9,675

**U.S. General Services Administration**

**FEDERAL CITIZEN SERVICES FUND**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language .....	2
Key Changes .....	2
Program Description .....	2
Explanation of Changes, Appropriated Dollars and FTE .....	4
Summary of the Request .....	4
Financing .....	4
Obligations by Object Classification .....	5
FCSF Funded Activities .....	6

## Appropriations Language

*For expenses authorized by 40 U.S.C. 323 and 44 U.S.C. 3604; and for expenses authorized by law, not otherwise provided for, in support of interagency projects that enable the Federal Government to enhance its ability to conduct activities electronically through the development and implementation of innovative uses of information technology; \$58,400,000 to be deposited into the Federal Citizen Services Fund: Provided the previous amount may be transferred to Federal agencies to carry out the purpose of the Federal Citizen Services Fund: Provided further, that the appropriations, revenues, reimbursements, and collections deposited into the Fund shall be available until expended for necessary expenses of Federal Citizen Services and other activities that enable the Federal Government to enhance its ability to conduct activities electronically: Provided further, that the transfer authorities provided herein shall be in addition to any other transfer authority provided in this Act.*

## Key Changes

The FY 2021 request repeats the proposal in the FY 2020 President's Budget Request that the cap on the total amount of funding (including collections) available in the fiscal year from the FCSF be removed from the appropriations language. Given recent increases in the size and scope of projects funded by the FCSF, this flexibility is needed so that all of the appropriations, revenues, reimbursements, and collections deposited into the Fund can be available without limitation.

## Program Description

The Federal Citizen Services Fund (FCSF) enables public access and engagement with Government through an array of public and agency facing products and programs. The FCSF initiatives help individuals, businesses, other governments, and the media to easily interact with Federal information, services, benefits, and business opportunities. The Fund supports agency facing programs that drive Government-wide transformation efforts to secure digital Government through shared services, platforms and solutions. The fund also provides technical expertise to agencies to improve their operations and the public's experience with Government in support of the President's Management Agenda and Cross-Agency Priority Goals. The FCSF supports extensive communities of practice that drive adoption and improvement of digital services, and help agencies develop and share best practices and training to address tactical needs. GSA will continue to use the FCSF to support initiatives that drive innovation in Government operations and improve the transparency, efficiency, and effectiveness of Federal operations and quality of Government services.

The FCSF funds a portion of the authorized activities of the Technology Transformation Services (TTS), a division within GSA's Federal Acquisition Service. The FCSF appropriation

U.S. General Services Administration  
Federal Citizen Services Fund

provides for the salaries and expenses of staff and programs authorized by 40 U.S.C. 323 and 44 U.S.C. 3604. Other TTS programs not funded by FCSF are funded on a reimbursable basis by the Acquisition Services Fund (ASF). The ASF-funded portion of TTS includes the Office of 18F, the Office of Acquisitions, the Centers of Excellence, and the Presidential Innovation Fellows Program.

**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
<i>Unobligated balance, direct, start of year</i> .....	\$ 20,383	\$ 18,904	\$ 9,075
Discretionary authority:			
<b>Annual appropriation</b> .....	\$ 55,000	\$ 55,000	\$ 58,400
Total Collections:			
Reimbursable Services:			
From Federal Agencies.....	\$ 3,435	\$ 7,353	\$ 7,353
From the Private Sector.....	\$ -	\$ -	\$ -
User Fees.....	\$ -	\$ -	\$ -
Gifts from the Private Sector.....	\$ -	\$ -	\$ -
Change in Unfilled Customer Orders.....	\$ -	\$ -	\$ -
Subtotal, reimbursable authority.....	\$ 3,435	\$ 7,353	\$ 7,353
Recovery of prior-year obligations.....	\$ 2,894		
Unobligated balance, reimbursable.....	\$ (813)		
Unobligated balance, direct.....	\$ (15,197)	\$ (9,075)	\$ (9,075)
Total, obligations.....	\$ 65,702	\$ 72,182	\$ 65,753
<b>Obligations, appropriated (no year)</b> .....	<b>\$ 62,162</b>	<b>\$ 64,829</b>	<b>\$ 58,400</b>
Obligations, reimbursable.....	\$ 3,540	\$ 7,353	\$ 7,353
<i>Net Outlays</i>	<i>\$ 54,004</i>	<i>\$ 64,180</i>	<i>\$ 57,816</i>

Note: FY 2020 planned appropriated obligations include obligations from appropriations in prior years.

*U.S. General Services Administration  
Federal Citizen Services Fund*

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**Explanation of Changes, Appropriated Dollars and FTE**

(Dollars in Thousands)

	FTE	FY 2019 Actual	FTE	FY 2020 Enacted	FTE	FY 2021 Request
	67.0	\$ 55,000	71.0	\$ 55,000	71.0	\$ 58,400
<b>Program Changes:</b>						
Rental Payments to GSA					-	\$ 622
Net Increases to Shared Services Overhead Costs					-	\$ 396
Net Increases to Acquisition Services Fund Allocation					-	\$ 156
Legislative Mandates and Priorities					-	\$ 2,226
Subtotal, Program Changes.....					-	\$ 3,400
<b>Total Adjustments.....</b>					<b>-</b>	<b>\$ 3,400</b>

**Summary of the Request**

The FY 2021 proposed budget provides a total of \$58.4 million for the FCSF which includes an increase of \$3.4 million to address key new legislative, programmatic and policy priorities. GSA is responsible in part for several provisions of the 21<sup>st</sup> Century Integrated Digital Experience Act (21st Century IDEA), the Foundations for Evidence Based Policymaking Act, the Executive Order on Maintaining American Leadership in Artificial Intelligence, and the America COMPETES Act. We also plan to fund necessary improvements to the Federal Risk and Authorization Management Program (FedRAMP) based on high demand for cloud services.

**Financing**

The FCSF funds a portion of the authorized activities of the Technology Transformation Services (TTS), a division of GSA’s Federal Acquisition Service. The FCSF appropriation provides for the salaries and expenses of staff and programs authorized by 40 U.S.C. 323 and 44 U.S.C. 3604. Other TTS programs not funded by FCSF are funded by the Acquisition Services Fund (ASF).

Reimbursements from Federal agencies pay for the direct costs of the services provided on behalf of the agencies such as contact center services. The FCSF is also allowed to collect user fees from the public and is authorized to accept gifts for the purposes of defraying the costs of printing, publishing, and distributing consumer information and educational materials and undertaking other consumer information activities. The income from gifts does not have fiscal year limitations.

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
11.1 Full-time, permanent.....	\$ 8,370	\$ 10,071	\$ 11,092
11.3 Other than full-time permanent.....	\$ 611	\$ -	\$ -
11.5 Other personnel compensation.....	\$ 148	\$ 201	\$ 218
11.8 Special personnel services payments.....	\$ (44)	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ 2,710	\$ 2,820	\$ 3,044
21.0 Travel and transportation of persons.....	\$ 94	\$ 265	\$ 265
22.0 Transportation of things.....	\$ -	\$ -	\$ -
23.1 Rental payments to GSA.....	\$ -	\$ -	\$ 622
23.3 Communications and utilities.....	\$ 111	\$ 128	\$ 143
24.0 Printing and reproduction.....	\$ -	\$ 10	\$ 10
25.1 Advisory and assistance services.....	\$ 24,623	\$ 34,618	\$ 24,290
25.2 Other services.....	\$ 76	\$ -	\$ -
25.3 Goods & services from Gov't accounts.....	\$ 22,538	\$ 16,652	\$ 18,650
25.7 Operation and maintenance of equipment.....	\$ -	\$ -	\$ -
26.0 Supplies and materials.....	\$ 1	\$ 36	\$ 36
31.0 Equipment.....	\$ 30	\$ 28	\$ 30
42.0 Insurance claims and indemnities.....	\$ -	\$ -	\$ -
<b>99.0 Obligations, appropriated (no year).....</b>	<b>\$ 59,268</b>	<b>\$ 64,829</b>	<b>\$ 58,400</b>
<i>Subtotal, PC&amp;B.....</i>	<i>\$ 11,795</i>	<i>\$ 13,092</i>	<i>\$ 14,354</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 47,473</i>	<i>\$ 51,737</i>	<i>\$ 44,046</i>
99.0 Obligations, reimbursable.....	\$ 3,540	\$ 7,353	\$ 7,353
99.9 Total obligations.....	\$ 62,808	\$ 72,182	\$ 65,753

Note: FY 2020 planned appropriated obligations include obligations from appropriations in prior years.

## **FCSF Funded Activities**

TTS develops and maintains user-centric shared services, solutions, platforms, and practices to improve information and service delivery across the Government, enabling citizen access and engagement with the Government.

The FY 2021 Budget request will support TTS's continued delivery of these influential modernization products and platforms across the Government, as well as an expansion into new Congressionally Mandated areas, in the following Solution Areas:

### **Infrastructure Optimization and Cloud**

Advancements in cloud technology have made it easier than ever before to quickly and easily provision services online, improving the way citizens interact with the government. As the marketplace of cloud providers and agency use of cloud continue to grow, cloud is quickly becoming the status quo. The migration of government information systems from Federal agency owned resources to commercial cloud based technologies creates opportunities for improved service and efficiency but has also created new challenges. TTS creates solutions and promotes frameworks that help Government more quickly make the shift as technology paradigms change, making cloud computing the easy, secure, and default IT solution for Federal agencies for today. But as we look ahead, we also need to prepare for dramatic improvements in networking, computing power and wired devices portending a shift to computing at the edge. The projects, programs, and initiatives that support this Solution Area include, but are not limited to, the following existing efforts:

#### **FedRAMP**

The Federal Risk and Authorization Management Program (FedRAMP) is a Government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. This makes it easier for shared service providers and small companies to meet requirements for multiple agencies; historically about 30 percent authorized vendors are small businesses. FedRAMP has consistently grown year over year since inception. The FedRAMP program has also worked with industry and agency partners to reduce the average time for authorization from over 12 months to a range of 5.5 to 8 months.

#### **Security Authorizations Re-Imagined**

One of the barriers to fast adoption of new technologies is the security authorization process, as defined by Federal law and policy. Building on the role FedRAMP plays in securing cloud technologies, TTS is partnering with agencies and industry to identify new ways to approach security authorizations to increase efficiencies, incorporate automation, reduce the time to market, and minimize cost.

## **Omnichannel Experience**

Individuals and businesses expect Government services to be efficient, intuitive, and seamless, just like they are used to getting from leading private-sector organizations. That means implementing technologies and processes that enable seamless interactions and experiences regardless of the channels they choose. With a focus on creating improved omnichannel experiences, TTS is seeking to unify, improve, and standardize the public's experience with the Federal Government.

The projects, programs, and initiatives that support this Solution Area include, but are not limited to, the following existing efforts:

### **U.S. Web Design System**

The U.S. Web Design System (USWDS) assists agencies in implementing the requirements of the 21st Century Integrated Digital Experience Act, which drives customer-centric implementations across Federal Government public websites with metrics and consistent look and feel. Specifically, TTS Solutions is responsible for releasing and maintaining the "Web Standards" required by Section 3e of the Act and works with agencies to understand their responsibilities and provide guidance and specific implementation details.

### **USAGov**

The activities in this category include the suite of offerings under the USAGov platform, which includes the official English and Spanish language websites for the Government. USA.gov and USAGov en Español (formerly known as GobiernoUSA.gov) make it easy for the public to find and consume Government information and services on the web. In FY 2019, USAGov connected people with government information nearly 91 million times.

### **USAGov Contact Center**

USAGov is exploring and developing multiple shared services that bring the benefits of large scale to smaller Government contact centers, including customer/public sentiment analysis, artificial intelligence tools that can reduce call time, and other shared services. Collaborating with the TTS Centers of Excellence, the USAGov Contact Center will continue to build on best practices and technology to provide the public with a place they can call or chat to find out how to navigate Government information and services.

### **USAGov Content and Public Engagement/Outreach Collaboration Efforts**

USAGov partners with several Federal agencies to collaborate on content and public engagement initiatives. The goal is to assist other agencies in achieving their mission by amplifying their message and reaching a wider audience. This is done through digital

channels, which includes social media, email, and websites. Through these initiatives, USA.gov also shares with agencies quantitative and qualitative data that is relevant to their mission so they can improve their public experience.

### **Search.gov**

Search.gov powers the search box on 2000 Federal Government websites to deliver fast, relevant search results to the public. This commercial-grade service delivers thorough Government-centric results across 175 Federal agencies. Search.gov is in greater demand than ever because the leading commercial provider discontinued two heavily used products. The 21st Century Integrated Digital Experience Act requires that agency websites contain *“a search function that allows users to easily search content intended for public use,”* which Search.gov easily provides.

Search.gov is currently serving about 35 percent of the Federal market and is continuing to increase its usage.

### **Digital Analytics Program**

The Digital Analytics Program (DAP) offers advanced web analytics tools and training to Federal agencies. This allows the Government to determine what content is most effective when communicating with the public on more than 5,000 Federal websites. DAP allows agencies to track and measure opportunities for streamlining and improving the usability of Government websites and is recognized as a best practice by the web standards mandated in the 21<sup>st</sup> Century Integrated Digital Experience Act. In addition, the Federal Web Policy memorandum mandates the use of DAP on Federal websites.

### **Feedback Analytics**

Feedback Analytics develops and manages Government-wide services that collect, validate, and report quantitative and qualitative customer feedback to aid service improvement and decision-making. This includes methods to evaluate progress toward customer experience goals and to improve service design and delivery across digital and non-digital channels. Current capabilities include freely available feedback tools to embed on agency websites and the ability to aggregate and analyze simple feedback data from other sources.

### **Data and Analytics**

The President’s Management Agenda recognized that the use of data is transforming society, business, and the economy. Entire industries have been disrupted by companies that take a data-centric approach. The Federal Government must work toward a robust, integrated approach to using data to deliver on mission, serve customers, and steward resources. TTS is empowering both the public and agencies by making Government information more open and leveraging data to enable more effective decision-making. TTS helps the Government apply modern data-driven decision-making practices, through our ability to build API-driven systems,

practice and promote open data and open Government principles, and secure the data stored in our systems. TTS will become the premier partner in understanding the federal digital footprint, and how it can transform to promote accessible, usable and interoperable data-driven services across Government. We will also continue our support of OMB and the President's Management Agenda in advancing two Cross-Agency Priority Goals: *Leveraging Data as a Strategic Asset* and *Improving Customer Experience with Federal Services*.

TTS activities supporting this Solution Area include, but are not limited to, the following existing efforts:

### **Data.gov**

Data.gov is the Federal Government's open data Catalog. The Data.gov site provides access to datasets from across the Government on subjects such as health, education, and public safety. The OPEN Government Data Act (Title II of the Foundations for Evidence Based Policymaking Act) requires agencies to make datasets available in an open, machine-readable format for inclusion in Data.gov. A unified, searchable data catalog helps researchers, students, entrepreneurs, and the general public in making discoveries, building businesses, and making informed consumer choices. In addition to the catalog, Data.gov provides shared tools for agencies to assist them in achieving the goals of the OPEN Government Data Act. Data.gov supports OMB in the leadership of the open data community in the Federal Government and in the development and implementation of the Federal Data Strategy under the President's Management Agenda. In addition, the Foundations in Evidence-Based Policymaking Act of 2018 expands the Federal Data Catalog function to serve all agencies beyond the focus on CFO Act agencies in the Open Data Policy. This law also tasks Data.gov with building and managing a *"repository of tools, best practices, and schema standards."*

### **API.data.gov**

API.data.gov is a shared service providing Application Programming Interface (API) management features to Federal agencies, including API analytics and API keys. APIs are a way for agencies to share data in machine readable formats, which empowers external application developers to leverage Government data and services.

API.data.gov's service provides tools to make it easier for agencies to launch, secure, and manage their API programs, with API analytics allowing agencies to understand how their APIs are being used.

## **Accelerators/Innovation**

Big bang approaches to technology have led to notorious failures and billions wasted in taxpayer dollars. In recent years, the orthodoxy of traditional approaches to how Government builds and buys technology has been challenged by innovative new methods. TTS can help agencies increase the speed in which they design, buy, develop, and deploy smart and scalable technology. Through modern practices like agile acquisitions, human-centered design, MVP (minimal viable product) prototyping, and incremental, risk-based investments in new programs, TTS can help agencies accelerate the delivery of value-based solutions to better meet customers needs. Projects, programs, and initiatives that support this Solution Area include, but are not limited to, the following existing efforts:

### **10x**

The 10x program is an incremental investment program that funds, supports, and develops ideas from federal employees about how technology can improve the public's experience with the Government. The program's projects support the priorities outlined in the President's Management Agenda and other legislative mandates, such as the *21<sup>st</sup> Century Integrated Digital Experience Act*. Successful launches include *Federalist*, *Login.gov*, *code.gov*, *Human-centered Design for IT Centralization Content Series*, the *U.S. Web Design System*, and *A Guide to the Paperwork Reduction Act*. Each of these projects vastly improves the ways in which the Government delivers digital services. Projects under development include *Reducing Duplication in Research Grants*, the *Eligibility APIs Initiative*, and the *U.S. Data Federation*. These projects will help agencies use data as a strategic asset to deliver more efficient services. The FY 2021 request continues the annual planned allocation of \$6 million toward these activities.

### **Challenge.gov**

Competitions increase the number of solvers tackling a problem and identify novel approaches, without bearing high levels of risk. Challenge.gov helps engage the breadth of public innovation by developing, launching, and managing challenge competitions on behalf of agencies. These include technical, scientific, ideation, and creative competitions where the Government seeks innovative ideas and solutions from the public. Agencies continue to post their competitions on Challenge.gov. Since the website's inception in 2010, more than 105 agencies have run challenges through these shared platforms and programs.

The Challenge team continues to support high priority GSA and OMB initiatives. In FY 2019, the team provided expertise to help launch the GEAR Center challenge. The team helps implement Congress' America COMPETES Act to rejuvenate focus on increasing basic research investment in the physical sciences, strengthening educational opportunities in science, technology, engineering and mathematics fields, and developing a robust innovation infrastructure.

### **Code.gov**

Code.gov, part of the implementation of OMB Memorandum M-16-21, *Federal Source Code Policy: Achieving Efficiency, Transparency, and Innovation through Reusable and Open Source Software*, contains code inventories from 24 Federal agencies. It provides a central location for Federal Government source code for agency reuse and public consumption. In FY 2018, there were roughly 4,000 source code projects for reuse on Code.gov. In FY 2019, there were 6,715. For example, the Analytics.USA.gov code has been reused 30 times by city, county, and Federal agencies, and the U.S. Web Design System code snippets were used by 150 Federal, State, and local agencies. The time and cost savings resulting from code reuse will continue to grow, as agencies are required to make 20 percent of their code open source every year to comply with the Federal Source Code Policy.

### **CitizenScience.gov**

CitizenScience.gov is a catalog of federally supported projects, curated by the Federal Crowdsourcing and Citizen Science Community of Practice, that engage the American public in addressing societal needs and accelerating science, technology, and innovation. The website draws on public participation to advance scientific knowledge research and supports the OMB Office of Science and Technology Policy to open opportunities for the Government to pursue and strengthen interagency partnerships as well as to collaborate with industry, academia, and other organizations on crowdsourcing and citizen science initiatives. Collected data is published on the Citizen Science data catalog to maximize the value to industry and society and is also posted on data.gov.

### **Digital.gov/DigitalGov University**

Digital.gov provides agencies with centralized methods, policies, and tools needed to create effective digital services in the Government. The website helps agencies learn, build, deliver, and measure digital services. Digital.gov is a critical communication channel for implementing 21st Century IDEA and resources and information will continue to be hosted on Digital.gov. Digital.gov also shares the stories of agencies that are changing the way technology is used to better deliver information and services to the public.

The website also includes DigitalGov University, which provides focused training and events, to help teams learn and adopt new concepts and collaborate with others working on the same problems across the Government. Digital.gov content supports communities of practice that drive adoption and improvement of digital services and helps agencies develop and share best practices and training to address tactical needs.

### **Artificial Intelligence (AI)**

The Government relies heavily on business processes to efficiently carry out the work of the American people. Tasks such as completing forms, applying for benefits, updating contact information, and records management are often labor intensive, time consuming and susceptible to human error. AI and related technologies like robotic process automation (RPA) smartly adopted can be used to effectively reduce the amount of time it takes to complete tasks with the Government, substantially reduce errors in the tasks, and allow people to work on more value-added tasks. TTS can help accelerate the adoption of AI across Government and help agencies just beginning their AI journeys to better understand how AI, machine learning, and RPA might assist in mission delivery.

The activities that support this Solution Area include, but are not limited to, the following existing efforts:

#### **Artificial Intelligence (AI) Portfolio**

Newly created in FY 2020, AI Portfolio staff engage with Federal practitioners, AI experts, and industry service providers to focus efforts on broad agency engagement, awareness, documentation, and community-building to research, identify and share modern AI practices most suitable for use in the Federal Government.

#### **Encouraging AI Code Reuse**

Code.gov is actively supporting recent Artificial Intelligence (AI) Executive order and implementation guidance. *“Code.gov allows for discoverability of Federal source code by searching AI related keywords. To increase discovery for Federal AI Research and Development (R&D) models, agencies shall inform their various offices or department heads associated with R&D that models being developed (or procured) should be captured in Source Code Inventories.”* This will result in more discoverable code projects and R&D models.

### **Identity Management**

The ability to interact meaningfully online, and ultimately to enable high-value transactions between the public and their Government, depends on trust. Identity management is a critical part in building this trust. Methods for fraudulently presenting credentials - including fake IDs, deepfake videos, and personally identifiable information - have become more common on the black market, and phishing techniques are increasingly sophisticated, leading to higher incidents of fraud and decreased trust of online interactions. The current systems solving these problems within the Federal Government are siloed, expensive, insecure, and cumbersome to use and manage. TTS will work across Government, collaborating with industry and other agencies working on this challenge; and delivering support and services to Federal, State, Local and Tribal Governments to meet this challenge.

**Modernizing Identity Proofing**

TTS focuses efforts on broad engagement, awareness, documentation, and community-building to research, identify, and share modern identity proofing practices most suitable for use in the Federal Government. TTS staff engage with Federal practitioners, identity experts, and industry service providers to make identity proofing more secure, easier, and less expensive.

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**U.S. General Services Administration**  
**ASSET PROCEEDS AND SPACE MANAGEMENT FUND**  
**Fiscal Year 2021 Budget Request**  
**CONTENTS**

Appropriations Language .....	2
Appropriations Language Explanation.....	2
Program Description .....	2
Amounts Available for Obligation .....	3
Explanation of Changes .....	3
Program Financing.....	4
Obligations by Object Classification .....	5

### **Appropriations Language**

*For carrying out section 16(b) of the Federal Asset Sale and Transfer Act of 2016 (40 U.S.C. 1303 note), \$31,000,000, to remain available until expended: Provided, That any proceeds from the sale of assets deposited in the Asset Proceeds and Space Management Fund shall remain available until expended and may be used for implementing the recommendations of the Public Buildings Reform Board.*

### **Appropriations Language Explanation**

This appropriation language provides funding for the implementation of the recommendations of the Public Buildings Reform Board consistent with P.L. 114-287.

### **Program Description**

This activity provides for carrying out actions pursuant to the Public Buildings Reform Board (Board) recommendations for civilian real property. In addition, amounts received from the sale of any civilian real property pursuant to a recommendation of the board are available, as provided in appropriations acts. Authorized activities include consolidation, co-location, exchange, redevelopment, reconfiguration of space, disposal, covering costs associated with sales transactions, acquiring land, construction, constructing replacement facilities, and conducting advance planning and design as may be required to transfer functions from a Federal asset or property to another Federal civilian property.

*U.S General Services Administration  
Asset Proceeds and Space Management Fund*

**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
<b>Resources:</b>			
Fund Balance	\$ 5,000	\$ 30,000	\$ -
Appropriation	\$ 25,000	\$ -	\$ 31,000
Authorized Proceeds (Sale of Real Property)	\$ -	\$ -	\$ -
Subtotal, Revenue	\$ -	\$ -	\$ -
Total Resources Available	\$ 30,000	\$ 30,000	\$ 31,000
Total Obligations	\$ -	\$ 30,000	\$ 31,000
Fund Balance	\$ 30,000	\$ -	\$ -

Note: FY 2020 obligations include obligations against prior year authority.

**Explanation of Changes**

(Dollars in Thousands)

	FTE	FY 2019 Enacted	FTE	FY 2020 Enacted	FTE	FY 2021 Request
	-	\$ 25,000	-	\$ -	-	\$ 31,000

**Program Decreases:**

Sales and Disposals

Construction and Acquisition

Redevelopment and Reconfiguration

Subtotal, Program Increases - \$ 31,000

**Total Adjustments - \$ - - \$ 31,000**

## **Summary of the Request**

The FY 2021 request is \$31 million for the Asset Proceeds and Space Management Fund (APSMF).

The APSMF will fund the implementation of the recommended actions of the Board, subject to approval by the Office of Management and Budget (OMB). The Board will identify opportunities for cost savings and deficit reduction by minimizing the Federal Government's inventory of civilian real property.

Since 2003, the Government Accountability Office has designated Federal real property management as a high-risk area, citing concerns about the deteriorating condition of facilities, the quantity of excess and underutilized properties, and an overreliance on leasing. To address these concerns, the APSMF will execute actions to consolidate the footprint and maximize the utilization rate of Federal buildings and facilities, reduce the reliance on leased space, sell or redevelop high-value assets that are under-utilized to obtain the highest and best value for the taxpayer, reduce operating and maintenance costs, reduce redundancy, and facilitate and expedite the sale or disposal of unneeded Federal civilian properties.

## **Program Financing**

The corpus of the APSMF was established with appropriations in FY 2018, and the administration is seeking further appropriations in FY 2021. The appropriated funds would be available, until expended, to finance real property projects recommended by the Board and approved by OMB. The first round of High Value Assets, were identified and targeted disposal by the Board and approved by OMB on January 24, 2020. The APSMF is also authorized under the Act to collect amounts the sales proceeds from the disposition of the sale of civilian real property pursuant to a recommendation of the Board. Those amounts may be used in future fiscal years, as provided in appropriations acts. To complete the execution of the approved projects, the disposing agency may fund the project directly or the APSMF may fund the project. For projects funded by the APSMF, the APSMF may enter into reimbursable agreements.

*U.S General Services Administration  
Asset Proceeds and Space Management Fund*

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**Obligations by Object Classification**  
(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
94.0 Financial Transfers.....	\$ -	\$ 30,000	\$ 31,000
<b>99.0 Obligations, Appropriated</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ 31,000</b>

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**U.S. General Services Administration**  
**TECHNOLOGY MODERNIZATION FUND**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language .....	2
Program Description .....	2
Program Financing.....	5
Amounts Available for Obligation .....	5
Explanation of Changes, Appropriated Dollars and FTE .....	5
Obligations by Object Classification .....	6

## Appropriations Language

*For carrying out the purposes of the Technology Modernization Fund, as authorized by section 1078 of subtitle G of title X of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91) \$150,000,000, to remain available until expended.*

## Program Description

The Technology Modernization Fund (TMF) is a revolving fund that finances Federal agencies' transition from antiquated legacy information technology (IT) systems to more effective, secure, and modern IT platforms. The National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91), Subtitle G—Modernizing Government Technology (MGT), Section 1078 established the TMF and Technology Modernization Board (Board). The TMF is administered by the U.S. General Services Administration (GSA) in accordance with recommendations made by the interagency TMF Board established by the MGT Act. The Board is chaired by the Administrator of the Office of Electronic Government and comprises six additional members, delineated in the Act, possessing expertise in IT development, financial management, cybersecurity and privacy, and acquisition.

In accordance with OMB guidance, the Board rigorously reviews agency modernization proposals and recommends projects for funding, including identifying opportunities to migrate multiple legacy systems to common platforms, ensuring prioritization of projects with the greatest Government-wide impact and probability of success, and improvements to the security of critical IT infrastructure. As TMF funding is allocated to priority projects across the Federal Government, it is subsequently replenished by incremental agency repayments to the fund for amounts transferred. This includes the cost of any services or work performed related to the administration of the fund, ensuring the TMF is self-sustaining and can continue to support modernization projects well beyond the initial infusions of capital. The GSA Administrator, in consultation with the Board and Director of OMB, is responsible for continuous oversight of funded projects to ensure success. Additionally, technical experts are paired with specific projects on a reimbursable basis to help execute quickly and successfully. All funding will be provided in increments based on agile development practices and is subject to agencies achieving planned project milestones.

Ultimately, retiring or modernizing vulnerable and inefficient legacy IT systems will make agencies more secure and save money. Absent immediate action, the cost to operate and maintain legacy systems will continue to grow while security vulnerabilities and other risks will remain unresolved. As a means of addressing these pressing challenges, the TMF is an important step in changing the way the Federal Government manages its IT portfolio.

The Board has reviewed more than 50 project proposals from Federal agencies requesting more than \$550 million and has approved nine modernization projects totaling \$88 million in project awards.

## **Summary of the Request**

The FY 2021 Request for the TMF is \$150 million for transfers to agencies in support of projects selected by the Board, and for services and work related to the administration of the Fund. Additional seed funding in FY 2021 will grow the corpus of the revolving fund closer to the originally authorized level of \$500 million allowing the TMF to tackle more complex, impactful, government-wide IT modernization efforts.

The pervasive use of legacy IT systems and infrastructure results in increased cybersecurity risks to Federal IT systems, inadequate services for the American people and businesses, and increased costs to operate and maintain aging systems. Absent action to modernize systems, the cost to operate and maintain legacy systems will continue to increase while security vulnerabilities and other risks will increase.

The TMF is designed to improve the management and oversight of IT modernization investments, allowing agencies to move to more secure and efficient IT systems and infrastructure, such as cloud and shared services, while also establishing stronger mechanisms for Federal agencies to regularly refresh their IT systems based on modern technologies.

IT modernization can generate significant long-term cost savings and improvements in security, but agencies are not always able to fund the investments up front. The TMF provides a central pool of funding dedicated to IT modernization and the Board provides a mechanism to distribute those resources to address the most urgent IT modernization projects across the Federal Government.

The TMF strengthens the ability of the Federal Government to strategically prioritize investments across the Government, ensuring the TMF supports projects with the greatest Government-wide impact. The Board evaluates and prioritizes agencies' investment proposals according to criteria established by the Board. The criteria include the risks of continuing to operate the legacy IT system, capacity to reuse the modernized platform, improved user experience and service delivery, and potential savings. GSA assists in the evaluation of proposals and ongoing monitoring of projects receiving TMF funds.

The TMF provides up-front funding for modernization investments that agencies will repay over a period of up to five years. This enables agencies to amortize non-recurring up-front costs and more appropriately plan for retirement, replacement, and modernization of legacy systems. Agency repayments replenish the fund over time to support future investments. Funding for all projects is incremental and tied to the completion of agreed-upon milestones. This approach ensures that agencies employ agile development techniques and prevents sunk costs.

As previously mentioned, the Board has already reviewed more than 50 initial project proposals from Federal agencies requesting more than \$550 million and has approved nine modernization projects totaling \$88 million in project awards. As of January 1, 2020, there are approximately a dozen proposals requesting over \$150 million moving through the TMF application process.

This demonstrates a strong interest on the part of agencies to secure up-front funding for their projects through the TMF. Detailed information about each funded project, as well as the project's status, is available on the TMF website, <https://tmf.cio.gov>.

<b>Projects Funded Through Initial TMF Seed Funding</b>	
<b>FY 2019 Projects</b>	<b>Project Allocations</b>
US Department of Energy	
Enterprise Cloud E-Mail	\$ 5,983,757
US Department of Agriculture	
Farmers.gov Customer Experience Portal	\$ 10,000,000
US Department of Housing and Urban Development	
Mainframe Migration	\$ 20,000,000
US Department of Labor	
Labor Certificate Processing Modernization	\$ 3,500,000
US General Services Administration	
Application Modernization	\$ 14,997,667
US Department of Agriculture	
Infrastructure Optimization and Cloud Adoption	\$ 500,000
US Department of Agriculture	
Specialty Crops	\$ 8,000,000
US General Services Administration	
NewPay Implementation	\$ 20,650,000
Equal Employment Opportunity Commission	
Charge and Case Management Modernization	\$ 4,000,000
<b>Total Project Allocations</b>	<b>\$ 87,631,424</b>

**Program Financing**

The TMF provides up-front funding to agencies through transfers of budget authority from the TMF to the receiving agency. Repayments from agencies for amounts transferred plus a small fee for Program Management Office services rendered will replenish the fund. The expenses of the GSA TMF Program Management Office are funded through the available fund balance.

GSA works with the Board and the Office of Management and Budget to develop the administrative fee rate for the program on an annual basis. Through the annual rate setting process, the GSA TMF Program Management Office develops a plan for recouping all administrative costs over the lifetime of the Fund, including the start-up, maintenance, and sunset phases. Agencies receive the advanced funding from the TMF at the beginning of the project and make payments to the Fund for the repayment of transferred amounts and the payment of fees over a period of years. This unique structure provides agencies with additional flexibility to pursue important modernization projects.

**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<b>Resources:</b>			
Available from prior year	\$ 88,364	\$ 84,745	\$ 67,208
Appropriation	\$ 25,000	\$ 25,000	\$ 150,000
Offsetting Collections	\$ 1,139	\$ 7,900	\$ 11,919
<b>Total Resources Available</b>	<b>\$ 114,503</b>	<b>\$ 117,645</b>	<b>\$ 229,127</b>
PMO Obligations	\$ (844)	\$ (900)	\$ (1,850)
Transfer Out for Modernization Projects	\$ (28,914)	\$ (49,537)	\$ (37,094)
<b>Fund Balance</b>	<b>\$ 84,745</b>	<b>\$ 67,208</b>	<b>\$ 190,183</b>

Note: Total Resources Available and Fund Balances include amounts committed to approved projects in the outyears but are reflected here as they contribute to the current balances.

**Explanation of Changes, Appropriated Dollars and FTE**

(Dollars in Thousands)

	FTE	FY 2019 Actual	FTE	FY 2020 Enacted	FTE	FY 2021 Request
	2	\$ 25,000	4	\$ 25,000	6	\$ 150,000
Program Changes:						
Increased Funding for Transfers to Technology Modernization Projects						\$ 125,000
<b>Subtotal, Program Changes</b>					0	\$ 125,000
<b>Total Adjustments</b>					0	\$ 125,000

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
11.1 Full-time, permanent	\$ 438	\$ 462	\$ 825
11.5 Other personnel compensation	\$ 10	\$ 1	\$ 12
12.1 Civilian personnel benefits	\$ 133	\$ 140	\$ 256
21.0 Travel and transportation of persons	\$ 1	\$ 15	\$ 37
25.1 Advisory and assistance services	\$ 240	\$ 274	\$ 679
25.3 Other goods & services from Federal sources	\$ 22	\$ -	\$ 33
26.0 Supplies and materials	\$ -	\$ 8	\$ 8
<b>99.0 Obligations, Appropriated (Annual)</b>	<b>\$ 844</b>	<b>\$ 900</b>	<b>\$ 1,850</b>
Subtotal, PC&B	\$ 581	\$ 604	\$ 1,094
Subtotal, Non-labor	\$ 263	\$ 297	\$ 756
<i>Net Outlays</i>	<i>\$ (287)</i>	<i>\$ 675</i>	<i>\$ 1,387</i>

Note: Obligations by Object Class include Program Management Office costs only; awarded project funds are obligated by the receiving agency.

**U.S. General Services Administration**

**EXPENSES, PRESIDENTIAL TRANSITION**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Appropriations Language .....	2
Analysis of Language Provisions .....	2
Program Description .....	3
Explanation of Changes .....	3
Summary of the Request .....	4
Obligations by Program.....	6
Obligations by Object Classification .....	7
Authorizing Legislation .....	8

**Appropriations Language**

*For necessary expenses to carry out the Presidential Transition Act of 1963, as amended, and 40 U.S.C. 581(e), \$9,900,000, of which not to exceed \$1,000,000 is for activities authorized by subsections 3(a)(8) and 3(a)(9) of the Act: Provided, That such amounts may be transferred and credited to the "Acquisition Services Fund" or "Federal Buildings Fund" to reimburse obligations incurred prior to enactment of this Act for the purposes provided herein related to the Presidential election in 2020: Provided further, That amounts available under this heading shall be in addition to any other amounts available for such purposes: Provided further, That in the case where the President-elect is the incumbent President or in the case where the Vice-President-elect is the incumbent Vice President, \$8,900,000 is hereby permanently cancelled, pursuant to subsection 3(g) of the Presidential Transition Act of 1963, as amended.*

**Analysis of Language Provisions**

Language Provision	Explanation
For expenses necessary to carry out the Presidential Transition Act of 1963, as amended,...	The Presidential Transition Act of 1963, as amended, 3 U.S.C. 102 note, declares in section (2) the purpose of the act is "to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President."
...of which not to exceed \$1,000,000 is for activities authorized by subsections 3(a)(8) and (9) of the Act.	This provision provides up to \$1,000,000 for costs incurred to provide key prospective appointees of the President-elect with briefings and orientations to prepare them to assume the responsibility of governance after inauguration (as authorized by subsection 3(a)(8)); and to prepare the transition directory, a compilation of Federal publications and materials, including information on the organization, missions, and duties of each department and agency (subsection 3(a)(9)).

<p>Provided, That such amounts may be transferred to “Acquisition Services Fund” or “Federal Buildings Fund” to reimburse obligations incurred prior to enactment of this act for the purposes provided herein related to the Presidential election in 2020.</p>	<p>This provision would allow for the reimbursement of previously incurred obligations in support of GSA’s post-election support for the Presidential transition. In order to be properly prepared for the transition, GSA must begin work before this appropriation will most likely be made available.</p>
<p>Provided further, in the case where the President-elect is the incumbent President or in the case where the Vice-President-elect is the incumbent Vice President, \$8,900,000 is rescinded pursuant to subsection 3(g) of the Presidential Transition Act of 1963, as amended.</p>	<p>This provision would clarify the amount that would be rescinded in the event that the incumbent President and/or Vice President are re-elected. This does not include the \$1,000,000 for orientation services, as that is still authorized if the incumbents are reelected. This amount is the amount requested for the incoming administration and outgoing administration.</p>

**Program Description**

This appropriation provides for an orderly transfer of executive leadership in accordance with the Presidential Transition Act of 1963, as amended. These expenses include costs of \$1,000,000 provided for briefing and training personnel associated with the incoming administration. New appropriations are generally requested only in Presidential election years.

**Explanation of Changes**

(Dollars in Thousands)

	<b>Budget Authority</b>
2020 Plan	\$0
2021 Request	\$9,900
<b>Net Change</b>	<b>\$9,900</b>

## **Summary of the Request**

The FY 2021 budget requests \$9.9 million to provide for the orderly transfer of Executive leadership in connection with the expiration of the term of office of the President and the inauguration of a new President. This includes \$8.9 million for the incoming administration and outgoing administration, and \$1.0 million for appointee orientation activities. The FY 2021 request is the cumulative effect of using the methodology established in the Presidential Transition Act and applying annual inflationary adjustments, as authorized. The appropriate transition funds become available to the incoming administration beginning the day following the general election and ending 180 days following the inauguration. Funds are available for expenses of the outgoing President and Vice President from 30 days before the date of the expiration of their term of office and until 6 months after their term of office expires. This is a separate request from the enacted FY 2020 appropriation of \$9.6 million for Pre-Election Services for the Presidential Transition.

### Incoming Administration

This request includes \$6.3 million for the orderly transfer of executive leadership in connection with the expiration of the term of office of the President and the inauguration of a new President. These funds may be used to provide suitable office space for transition activities; provide compensation to transition office staff; acquire communications services; provide allowances for travel and subsistence; and for printing and postage costs associated with the transition.

This funding will become available to the incoming administration the day following the day of the general election and ending 180 days following the inauguration. The FY 2021 request for these activities is the cumulative effect of using the methodology established in the Presidential Transition Act and applying annual inflationary adjustments.

These funds will be rescinded if there is no change in administration following the 2020 Presidential election, pursuant to subsection 3(g) of the Presidential Transition Act of 1963, as amended.

### Outgoing Administration

The requested level provides \$2.6 million for the outgoing administration. Funding will support the expenses of the outgoing President and Vice President from 30 days before the date of the expiration of their term of office through 6 months after their terms of office expire.

The FY 2021 request for the outgoing administration is the cumulative effect of using the methodology established in the Presidential Transition Act and applying annual inflationary

adjustments, as authorized. These funds may be used to provide suitable office space for transition activities; provide compensation to transition office staff; acquire communication services; provide allowances for travel and subsistence; and for printing and postage costs associated with the transition.

These funds will be rescinded if there is no change in administration following the 2020 Presidential election, pursuant to subsection 3(g) of the Presidential Transition Act of 1963, as amended.

Appointee Orientation

In addition to the Outgoing and Incoming levels, \$1 million is requested for costs related to briefings, workshops, training, and orientation for key prospective Presidential appointees. These funds are authorized in the Presidential Transition Act of 2000, Public Law 106-293, signed October 12, 2000, to be appropriated as may be necessary. These funds become available to the incoming administration from the day following the general election through the end of the fiscal year.

These funds are not rescinded if there is no change in administration; they are available to the President-elect in all instances.

*U.S. General Services Administration  
Expenses, Presidential Transition*

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**Appropriations History**

(Dollars in Thousands)

	FY 2013 Actual	FY 2017 Actual	FY 2021 Request
Discretionary Authority:			
<b>Annual Appropriation</b> .....	<b>\$ 8,947</b>	<b>\$ 9,500</b>	<b>\$ 9,900</b>
Annual Appropriation, Rescinded.....	\$ (8,947)	\$ -	\$ -
Obligations.....	\$ -	\$ 9,494	\$ 9,900
<i>Net Outlays:</i>	<i>\$ -</i>	<i>\$ 8,335</i>	<i>\$ 9,900</i>

\*The appropriation enacted in FY 2013 was rescinded as there was no change in administration following the election.

\*In FY 2017, GSA also had \$226 in reimbursable obligations associated with Presidential transition

**Obligations by Program**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Request
1. Appointee Orientation	\$0	\$0	\$1,000
2. GSA Cost to Support Incoming	\$0	\$0	\$0
3. Furniture and IT	\$0	\$0	\$0
4. Incoming President and Vice President	\$0	\$0	\$6,300
5. Outgoing President and Vice President	\$0	\$0	\$2,600
6. Presidential Inaugural Committee	\$0	\$0	\$0
<b>Total Appropriation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,900</b>

*U.S. General Services Administration  
Expenses, Presidential Transition*

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
11.8 Special personnel services payments	\$0	\$0	\$1,269
12.1 Civilian personnel benefits	\$0	\$0	\$315
21.0 Travel and transportation of persons	\$0	\$0	\$1,596
23.3 Communications and utilities	\$0	\$0	\$2,119
24.0 Printing and reproduction	\$0	\$0	\$153
25.1 Advisory and assistance services	\$0	\$0	\$3,750
26.0 Supplies and materials	\$0	\$0	\$75
31.0 Equipment	\$0	\$0	\$239
32.0 Land and Structures			\$385
<b>99.0 Obligations, Appropriated (Annual)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,900</b>
<i>Subtotal, PC&amp;B</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,584</i>
<i>Subtotal, Non-labor</i>	<i>\$0</i>	<i>\$0</i>	<i>\$8,316</i>
99.2 Obligations, reimbursable	\$0	\$0	\$0
99.9 Total obligations	\$0	\$0	\$9,900

## **Authorizing Legislation**

Subsection 7(a) of the Presidential Transition Act of 1963, as amended, authorizes appropriations in a fixed amount; however, subsection 7(b) allows for inflationary adjustments.

- (a) There are hereby authorized to be appropriated to the Administrator such funds as may be necessary for carrying out the purposes of this act, except that with respect to any one Presidential transition -
  - (1) not more than \$3,500,000 may be appropriated for the purposes of providing services and facilities to the President-elect and Vice President-elect under section 3, and
  - (2) not more than \$1,500,000 may be appropriated for the purposes of providing services and facilities to the former President and former Vice President under section 5, except that any amount appropriated pursuant to this paragraph in excess of \$1,250,000 shall be returned to the general fund of the Treasury in the case where the former Vice President is the incumbent President.

The President shall include in the budget transmitted to Congress, for each fiscal year in which his regular term of office will expire, a proposed appropriation for carrying out the purposes of this act.

- (b) The amounts authorized to be appropriated under subsection (a) shall be increased by an inflation adjusted amount, based on increases in the cost of transition services and expenses which have occurred in the years following the most recent Presidential transition, and shall be included in the proposed appropriation transmitted by the President under the last sentence of subsection (a).

**Fiscal Year 2021 Budget Request**

**Table of Contents**

GSA OIG and OPM OIG Appropriations Language ..... 1

GSA OIG and OPM OIG Program Descriptions ..... 2

GSA OIG 5-Year Appropriation History Table ..... 5

GSA OIG Amounts Available for Obligation ..... 6

GSA OIG Explanation of Changes, Appropriated Dollars, and FTE ..... 7

GSA OIG Summary of Request..... 8

GSA OIG Obligations by Object Classification ..... 9

GSA OIG FY 2021 Request ..... 10

GSA OIG Business Component Justifications ..... 12

    Office of Audits..... 12

    Office of Investigations..... 14

    Office of Inspections ..... 16

    Executive Direction and Business Support Offices ..... 18

GSA OIG FY 2021 Performance Plan ..... 19

OPM OIG FY 2021 Request ..... 23

OPM OIG Overview ..... 34

    The Office of Audits..... 34

    The Office of Investigations..... 35

    The Office of Evaluations ..... 36

    The Office of Management ..... 36

    The Office of Legal and Legislative Affairs ..... 37

OPM OIG Performance Metrics and Other Statistical Information ..... 39

OPM OIG Object Class Tables ..... 42

OPM OIG Additional Reporting Requirements ..... 43

**GSA OIG and OPM OIG Appropriations Language**

For necessary expenses of the Office of Inspector General and services as authorized by 5 U.S.C. 3109, \$69,000,000: *Provided*, That not to exceed \$50,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: *Provided further*, That not to exceed \$2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

Contingent upon enactment of authorizing legislation to reorganize the Office of Personnel Management (OPM) and transfer certain of its functions to the General Services Administration (GSA), for necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, including service as authorized by 5 U.S.C. 3109 and hire of passenger motor vehicles, \$5,000,000, and in addition, not to exceed \$29,458,000, to be transferred from the appropriate trust funds of OPM's successor division at GSA for administrative expenses to audit, investigate, and provide other oversight, as determined by the Inspector General, of the retirement and insurance programs of OPM's successor division at GSA: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

*U.S. General Services Administration  
Office of Inspector General*

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The President's Budget proposes the transfer of the U.S. Office of Personnel Management (OPM) Office of Inspector General (OIG) to the General Services Administration Office of Inspector General. The proposal, contingent upon enactment of authorizing legislation, envisions a consolidated Office of the Inspector General with a total budgetary authority of \$104 million.

**GSA OIG Program Description**

This appropriation provides agency-wide audit, investigative, and inspection functions to identify and correct management and administrative deficiencies within the General Services Administration (GSA), including conditions for existing or potential instances of fraud, waste, and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations. The inspection function supplements traditional audits and investigations by providing systematic and independent assessments of the design, implementation, and/or results of GSA's operations, programs, or policies.

**OPM OIG Program Description**

This appropriation funds the OPM OIG's efforts to protect the integrity of OPM programs and operations. The OPM OIG's audits, investigations, evaluations, and administrative sanctions programs serve to prevent and detect fraud, waste, abuse, and mismanagement.

The OPM OIG's Office of Audits conducts audits of OPM programs and operations. The Office of Audits issued 36 audit reports in fiscal year (FY) 2019, with questioned costs totaling over \$30 million. The majority of the Office of Audits' work involves the Federal Employees Health Benefits Program (FEHBP) through audits of the health insurance carriers and the pharmacy benefit managers that contract with OPM. In addition, the Office of Audits focuses on other key OPM benefits programs, including the Federal retirement program, the Federal Employees' Group Life Insurance Program, the Federal Employee Dental and Vision Insurance Program, the Federal Long Term Care Insurance Program, and the Federal Flexible Spending Accounts. The Office of Audits also audits OPM revolving fund programs and operations, and is responsible for the oversight of the OPM financial statement audit, which is conducted by an independent public accounting firm.

The OPM OIG also conducts information systems audits of general and application controls and security within OPM information systems and programs as well as audits of OPM contractor systems, such as those of FEHBP insurance carriers. One key OPM OIG project is to provide ongoing oversight of OPM's information technology (IT) modernization

*U.S. General Services Administration  
Office of Inspector General*

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efforts, including a data center consolidation and potential mainframe migrations. The OPM OIG's longstanding expertise in these areas has been recognized and endorsed by the Congress. The OPM OIG's continued oversight of this project is essential to the IT security posture of OPM, its systems, and the highly sensitive data contained in these systems.

The OPM OIG's Office of Investigations detects and investigates improper and illegal activities involving OPM programs, personnel, and operations. The Office of Investigations is a statutory Federal law enforcement organization with the authority to carry firearms, issue subpoenas, and to seek and execute both search and arrest warrants. In FY 2019, the Office of Investigations' activities led to 94 arrests, 130 indictments and informations, 83 criminal convictions, and resulted in over \$39 million in recoveries to the OPM trust funds. In addition, the Office of Investigations partnered with the U.S. Department of Justice (DOJ) and other Federal, State, and local law enforcement agencies to investigate and collect fines, penalties, and forfeitures to the Federal Government totaling over \$1.3 billion. Based on evidence gathered during its investigations, the Office of Investigations pursues appropriate remedies, including referrals to the DOJ for criminal prosecutions or civil action and/or referrals to OPM or to the FEHBP Administrative Sanctions program. The Office of Investigations also investigates allegations of fraud against OPM programs, including the FEHBP and the Civil Service and Federal Employees Retirement Systems. When appropriate, the Office of Investigations conducts investigations of OPM internal operations, whistleblower complaints, and employee and contractor misconduct.

The Office of Evaluations conducts studies of OPM programs and operations from a broad, issue-based perspective. The Office of Evaluations combines the scoping and planning of traditional audits with the more reactive nature of investigations in order to respond quickly to high priority issues requiring immediate attention. Evaluations focus on program effectiveness and rely on in-depth analysis using multiple sources of data. Our evaluations typically involve multiple objectives, have complex or very little criteria, and may involve more than one OPM component. The Office of Evaluations conducts its work according to the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspections and Evaluation (January 2012) by following the policies and processes detailed therein. The Office of Evaluations has issued eight final reports since its inception in FY 2015. The evaluations conducted by this small but adaptable office have covered a variety of OPM programs and operations, resulting in recommendations that minimized inefficiencies and corrected vulnerabilities in OPM's Retirement Services Program, the reporting of OPM's conference spending, OPM's oversight of the Federal Workers' Compensation Program, and OPM's Senior Executive Service and Performance Management Office.

The OPM OIG's Administrative Sanctions program debars and suspends health care providers whose loss of licensure or conduct may pose a health and safety risk to FEHBP enrollees and their families or a financial threat to the FEHBP. In FY 2019, the OPM OIG

was responsible for 875 suspensions and debarments of health care providers within the FEHBP.

Finally, the OPM OIG oversees activities of the OPM Revolving Fund. In January 2014, the Congress passed the OPM IG Act (Public Law 113–80). This legislation provided the necessary funding for the OPM OIG to audit, investigate, and provide other oversight of the activities of OPM revolving fund programs and operations, which included the National Background Investigation Bureau (NBIB). Pursuant to Executive order and Section 925 of the National Defense Authorization Act for Fiscal Year 2018, NBIB transferred to the Department of Defense on October 1, 2019. Although NBIB has transitioned to what is now the Defense Counterintelligence and Security Agency (DCSA), the OPM OIG is maintaining responsibility for completing NBIB legacy oversight work—criminal investigations opened prior to October 1, 2019, as well as an audit of NBIB’s FY 2019 financials for the OPM Audit and an audit of the broader information technology environment that will host NBIB’s systems beyond October 1, 2019. To ensure the continuity of law enforcement investigations and audits, the OPM OIG is working on establishing an interagency agreement that will provide the necessary funding required to complete the NBIB legacy oversight work.

*U.S. General Services Administration  
Office of Inspector General*

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**GSA OIG 5-Year Appropriation History Table**

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
	<b>Enacted</b>	<b>Enacted</b>	<b>Enacted</b>	<b>Enacted</b>	<b>Request</b>
<b>Request to Congress:</b>	<b>\$66,000,000</b>	<b>\$66,000,000</b>	<b>\$67,000,000</b>	<b>\$68,000,000</b>	<b>\$69,000,000</b>
Appropriated:					
Annual Funds	\$65,000,000	\$65,000,000	\$65,000,000	\$67,000,000	
Rescissions					
Sequestration					
No-Year Funds					
Rescissions					
<b>Total.....</b>	<b>\$65,000,000</b>	<b>\$65,000,000</b>	<b>\$65,000,000</b>	<b>\$67,000,000</b>	

U.S. General Services Administration  
Office of Inspector General

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**GSA OIG Amounts Available for Obligation**

(Dollars in Thousands)

	<b>FY 2019 Actual</b>	<b>FY 2020 Enacted</b>	<b>FY 2021 Request</b>
Unobligated balance, start of year <sup>1</sup> .....	\$5,389	\$4,008	\$2,008
<i>Discretionary authority:</i>			
Appropriation (annual).....	\$65,000	\$67,000	\$69,000
Appropriation (no-year).....			
<i>Reimbursable authority:</i>			
Offsetting collections.....	\$600	\$600	\$600
<b>Subtotal amount available for obligation</b>	<b>\$70,989</b>	<b>\$71,608</b>	<b>\$71,608</b>
<i>Discretionary authority:</i>			
Unobligated balance, expiring.....	(\$569)	\$0	\$0
Unobligated balance, end of year.....	(\$4,008)	(\$2,008)	(\$1,008)
<i>Reimbursable authority:</i>			
Unobligated balance, expiring.....	(\$164)	\$0	\$0
<b>Total obligations</b>	<b>\$66,248</b>	<b>\$69,600</b>	<b>\$70,600</b>
Obligations, appropriated (annual).....	\$64,431	\$67,000	\$69,000
Obligations, appropriated (no-year).....	\$1,381	\$2,000	\$1,000
Obligations, reimbursable.....	\$436	\$600	\$600
<b>Net outlays, appropriated.....</b>	<b>\$65,687</b>	<b>\$68,710</b>	<b>\$69,856</b>

<sup>1</sup> Unobligated balance reflects no-year funds appropriated in FY 2014 through FY 2016.

*U.S. General Services Administration  
Office of Inspector General*

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**GSA OIG Explanation of Changes, Appropriated Dollars, and FTE**

(Dollars in Thousands)

	<u>FTE</u>	<u>Budget Authority</u>
2020 Enacted	310	\$ 67,000
2021 Request	<u>310</u>	<u>\$ 69,000</u>
Net Change.....	0	\$ 2,000

	<u>FTE</u>	<u>Budget Authority</u>
<b>Maintaining Current Levels:</b>		
FY 2020 Pay Increase (2.6%), Q1 FY 2021		\$ 243
FY 2021 Pay Increase (1.0%), Effective Jan 2021		\$ 433
FERS Retirement Payments Increase (1.3%)		\$ 182
Personnel Awards Increase		\$ 142
<b>Program Initiatives:</b>		
Anticipated Transition Costs Associated with OPM OIG Merger		\$ 1,000
Net Change.....	0	\$ 2,000

Reimbursable Resources	3	\$ 600
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*U.S. General Services Administration  
Office of Inspector General*

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**GSA OIG Summary of Request**

The FY 2021 budget requests a total of **\$69,000 thousand** for the Office of Inspector General. This represents a net increase of **\$2,000 thousand** from the FY 2020 request level, including the following:

**\$243 thousand** for FY 2020 pay increase (2.6%), Q1 FY 2021

**\$433 thousand** for FY 2021 pay increase (1.0%), effective January 2021

**\$182 thousand** for FERS retirement payments increase (1.3%)

**\$142 thousand** for personnel awards increase

**\$1,000 thousand** for anticipated transition costs associated with OPM OIG merger

**Reimbursable Programs:** The FY 2021 OIG reimbursable request includes **\$600 thousand** for the following reimbursable work: (1) \$350 thousand for the Fleet Card Program; and (2) \$250 thousand for on-going reimbursable work with other agencies and independent commissions.

<b>FY 2021 Annual CIGIE Assessment (0.33% of \$69,000,000)</b>	<b>\$227,700</b>
<b>FY 2021 Annual Training Request: Certified by the Inspector General, (includes training travel)</b>	<b>\$790,000</b>

*U.S. General Services Administration  
Office of Inspector General*

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**GSA OIG Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019	FY 2020	FY 2021
	Actual	Enacted	Request
11.1 Full-time permanent	\$34,588	\$36,391	\$37,371
11.3 Other than full-time permanent	\$458	\$628	\$290
11.5 Other personnel compensation	\$2,359	\$2,531	\$3,012
11.8 Special personal services payments	\$5	\$0	\$0
<b>11.9 Total personnel compensation</b>	<b>\$37,410</b>	<b>\$39,550</b>	<b>\$40,673</b>
12.1 Civilian personnel benefits	\$13,577	\$13,975	\$14,388
21.0 Travel and transportation of persons	\$1,509	\$1,525	\$1,525
22.0 Transportation of things	\$0	\$0	\$0
23.1 Rental payments to GSA	\$5,043	\$5,087	\$5,233
23.2 Rental payments to others	\$0	\$0	\$0
23.3 Communications, utilities and miscellaneous charges	\$281	\$300	\$300
24.0 Printing and reproduction	\$10	\$10	\$10
25.1 Advisory and assistance services	\$1,883	\$1,665	\$2,163
25.2 Other services	\$9	\$14	\$14
25.3 Purchases of goods and services from government accounts	\$3,156	\$2,886	\$2,886
25.4 Operation and maintenance of facilities	\$5	\$3	\$3
25.7 Operation and maintenance of equipment	\$810	\$1,345	\$945
26.0 Supplies and materials	\$133	\$140	\$140
31.0 Equipment	\$605	\$500	\$720
42.0 Insurance claims and indemnities	\$0	\$0	\$0
<b>99.0 Subtotal</b>	<b>\$64,431</b>	<b>\$67,000</b>	<b>\$69,000</b>
99.0 Reimbursable obligations	\$436	\$600	\$600
<b>99.9 Total Obligations</b>	<b>\$64,867</b>	<b>\$67,600</b>	<b>\$69,600</b>

## **GSA OIG FY 2021 Request**

For FY 2021, the General Services Administration (GSA) Office of Inspector General (OIG) requests \$69,000 thousand to execute our mission to detect and deter waste, fraud, abuse, and misconduct and to promote economy and efficiency in GSA's multibillion dollar programs and operations including contracts. The OIG also anticipates a continuing expansion of our oversight mission related to the transfer to GSA of various human resource-related functions currently housed at the Office of Personnel Management (OPM), pursuant to the President's reorganization and reform plan Reshaping American Government in the 21<sup>st</sup> Century.

Full funding of the Inspector General function provides a positive return to taxpayers since our work routinely results in large financial recoveries each year that significantly exceed our appropriation. For example, our efforts resulted in recoveries totaling \$122 million in FY 2019, 111 million in FY 2018, and \$121 million in FY 2017. Additionally, our recommended cost savings and identification of funds put to better use yielded more than \$219 million dollars in additional potential savings during FY 2019.

Over the past year, our audit, inspection, and investigative work was highly productive. In FY 2019, our audit and inspection efforts produced 65 reports to help GSA improve efficiency and effectiveness across a wide range of its operations. Significant audit and inspection reports addressed issues such as improper pricing on a major service contract with McKinsey and Company that could cost the government an estimated \$69 million, deficiencies in a GSA information system that left the system vulnerable to cyber-attack and security breaches, and the impact of GSA's unwillingness to address constitutional issues pertaining to its administration of the Old Post Office Building lease.

In the same time period, the Office of Investigations opened 116 new investigations, closed 110 investigative cases, produced 54 criminal indictments, and participated in 52 successful prosecutions of crimes including bribery, kickbacks, extortion, and construction and procurement fraud. For example, our investigation of a GSA contractor and its corporate officers resulted in settlements totaling over \$36 million—the largest ever False Claims Act recovery based on allegations of small business contracting fraud. In another notable case, three conspirators who defrauded GSA's Federal Surplus Property Donation Program were sentenced collectively to more than six and half years in prison and ordered to pay over \$1.72 million.

Many of these cases originated with allegations reported to our hotline, which received 1,304 contacts in FY 2019. Others were developed through our investigators' use of data analytics. For example, our investigators' skillful use of data analytics revealed a debarred contractor's formation of new companies and use of aliases to circumvent his debarment, and also enhanced an investigation by identifying and blocking attempts to exploit vulnerabilities in the System for Award Management.

We describe these and other highlights of the work of our auditors, investigators, and inspectors below.

**Transition Costs in Support of the Anticipated Consolidation with OPM OIG:** GSA and OPM are continuing to consider the transfer of at least some of OPM's human resources operational functions to GSA. The transfer of the human resources operational functions may include personnel, program oversight, and IT data and infrastructure. In addition, the President's reorganization and reform plan calls for the transfer of OPM's retirement services and federal employee health care and life insurance programs to GSA. For that reason, we are requesting an increase of \$1,000 thousand to support those costs associated with consolidating the resources and infrastructure of the GSA OIG and OPM OIG into a single OIG organization within the GSA Office of Inspector General.

## **GSA OIG Business Component Justifications**

Our major operational components—the Office of Audits, Office of Investigations, and Office of Inspections—share primary responsibility for overseeing GSA programs and operations. Increasingly, coordinated and joint efforts by the OIG’s offices are producing results that lead to program correction, savings, and successful prosecutions, some of which are noted below. While each component’s own activities well justify its cost, we are finding that often the combined efforts of our professional staffs add an important dimension to the OIG’s arsenal against misconduct and inefficiency. The appropriations for the OIG reflect a prudent investment in oversight of GSA activities.

### **Office of Audits**

#### **Program Description**

The Office of Audits is an organization charged with overseeing GSA’s use of taxpayer dollars as GSA administers its programs and operations. The goal of our audits is to support GSA’s primary business lines—acquisition services and real property—while ensuring their integrity, economy, and efficiency. To that end, we balance our audit coverage between contract and internal audits to meet a number of needs and requirements as follows:

- Program audits provide GSA management with independent assessments and input on potential solutions to challenges, when appropriate.
- Information technology and systems audits evaluate whether GSA’s information systems are designed to enable efficient and effective operations, contain adequate systems controls, are properly secured, and meet user requirements.
- Regulatory audits evaluate whether GSA complies with applicable laws and regulations.
- Internal control audits test the controls built into GSA’s programs and systems to determine whether those controls are operating as intended and providing reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, and compliance with applicable laws and regulations.
- Contract audits examine selected contractors’ records and develop the financial information necessary for GSA contracting officers to negotiate favorable pricing arrangements on contract awards and administer existing contracts. These engagements include preaward and postaward examinations of Multiple Award Schedule contracts, as well as audits of construction claims, requests for equitable adjustment, and close-out audits.
- Audits provide oversight of GSA’s contracts for the annual financial statements audit required under the 1990 Chief Financial Officer’s Act, and the independent

*U.S. General Services Administration  
Office of Inspector General*

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evaluation of GSA's information security program and practices required under the Federal Information Security Modernization Act of 2014.

Our auditors provide extensive oversight of billions of dollars in contracts awarded by GSA for products, services, and real property. During Fiscal Year 2019, our audits recommended over \$219 million in cost avoidances and recoveries which included over \$6.8 million from our construction contract audits.

Two key audits completed in Fiscal Year 2019 illustrate the significance of the results achieved by this organization. In March 2019, we issued an audit of environmental hazards at the Goodfellow Federal Complex in St. Louis, Missouri. The Department of Labor's Occupational Safety and Health Administration (OSHA) issued a notice to PBS in 2016 that included seven serious citations of unsafe working conditions for the Goodfellow complex. Because of the gravity of the citations, we conducted this audit to evaluate PBS's response to environmental studies performed at the Goodfellow complex leading up to OSHA's notice. We found that PBS failed to take appropriate measures to protect tenants, contractors, and visitors from environmental hazards at the Goodfellow complex due to ineffective environmental programs, policies, and guidance. PBS's inadequate response to the environmental hazards at the Goodfellow complex may have endangered the health of people at the complex and wasted taxpayer money. Based on our audit finding, we recommended that PBS conduct a comprehensive assessment of the PBS Occupational Safety and Health Program and update the program to ensure adherence to OSHA requirements regarding environmental contamination.

In August 2019, we issued a report entitled *Improper Pricing on the McKinsey Professional Services Contract May Cost the United States an Estimated \$69 Million*. We found that GSA's Federal Acquisition Service (FAS) did not administer a Multiple Award Schedule contract with McKinsey and Company, Inc. (McKinsey) in accordance with applicable laws, regulations, and policies. We determined that an FAS management official used invalid price comparisons, relied on unsupported information, and performed insufficient analyses to justify the awarded contract pricing. We also found that the official violated standards of conduct by advocating for McKinsey to other procurement officials. Finally, the official impeded a preaward audit of McKinsey's contract by failing to take appropriate action as required by the Federal Acquisition Regulation to obtain required data to complete the audit. As a result of these actions, we estimate GSA customers could pay an additional \$69 million over the option period for the contract.

Other significant work includes an audit we conducted to determine whether PBS National Capital Region (NCR) leases met the goals of the PBS pricing policy and GSA's annual performance plans and to determine the reasons for any excessive variance in lease funds. We found that PBS NCR did not effectively manage its leased portfolio to ensure that it is fully recovering lease costs as required, resulting in nearly \$50 million in losses. Furthermore, we found that PBS NCR overpaid lessors, did not reimburse tenant agencies

for overbillings as required, and did not accurately record leasing actions in the financial system. We made several recommendations to address these deficiencies.

In another audit, we found that GSA's Federal Risk and Authorization Management Program (FedRAMP), Program Management Office (PMO) had not established an adequate structure comprising its mission, goals, and objectives for assisting the federal government with the adoption of secure cloud computing services. The mission statement does not provide a clear direction for the FedRAMP PMO; objective statements are missing key attributes; and the alignment of the mission, goals, and objective statements makes it difficult to determine if the FedRAMP PMO is meeting its mission in an effective manner. Based on our audit findings, we recommended revising the FedRAMP PMO's mission statement to a concise, singular statement; revising FedRAMP PMO's objectives to make them more specific and measurable; and reviewing FedRAMP PMO's mission, goals, and objectives to ensure they align in a cohesive manner.

In an IT security audit of a critical business information system used to store and retrieve acquisition data, records, and documents, we found that the system's technical security controls, as configured, do not provide the level of protection required by the standards, guidelines, and recommendations as defined by GSA, the National Institute of Standards and Technology, and the Center for Internet Security. We found improperly configured technical access controls; incomplete or unprotected audit logs; and weaknesses in system integrity, network security, and web application security controls. These control environment deficiencies make the system vulnerable to cyberattacks that could compromise system confidentiality, integrity, and availability. We made several recommendations to address these deficiencies.

The Office of Audits also played a key role in a \$21.5 million settlement of False Claims Act allegations against Informatica, LLC. Informatica allegedly knowingly provided false information concerning its commercial discounting practices for its products and services to resellers, who then used that false information in negotiations with GSA for Multiple Award Schedule contracts. Informatica's allegedly false disclosures caused GSA to agree to less favorable pricing, and, ultimately, government purchasers to be overcharged. The settlement also resolved allegations that Informatica caused sales to the United States in violation of the Trade Agreements Act, which restricts the country of origin for goods purchased by the government.

## **Office of Investigations**

### **Program Description**

The Office of Investigations is comprised of special agents with full statutory law enforcement authority: they make arrests, execute search warrants, serve subpoenas, and carry firearms. Allegations investigated by OIG special agents include bribery,

*U.S. General Services Administration  
Office of Inspector General*

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kickbacks, extortion, public corruption, false claims, credit card fraud, theft, diversion of excess government property, counterfeit products, product substitution, false statements, and a variety of other fraud-related crimes and offenses.

The Office of Investigations has developed and implemented an investigative action plan which contains the following elements:

- Investigations of alleged criminal violations and civil fraud by contractors, employees, and others relating to GSA acquisition programs;
- Criminal investigations relating to the integrity of GSA programs, operations, and personnel;
- The development and implementation of proactive investigations which address systemic investigative issues that cross GSA regional boundaries; and
- Investigations of allegations of serious misconduct by high-ranking GSA officials.

Highlights of the Office's work in FY 2019 include the following:

Our investigation of Atlantic Diving Supply, Inc. (ADS), resulted in settlements totaling over \$36 million that resolved allegations that ADS and its former Chief Executive Officer violated the False Claims Act by fraudulently obtaining federal set-aside contracts intended for small and disadvantaged businesses that the company was ineligible to receive. This complex case represented the largest-ever False Claims Act recovery based on allegations of small business contracting fraud.

Another significant investigation involving a conspiracy to defraud the GSA's Federal Surplus Property Donation Program culminated with three men pleading guilty to conspiring to commit wire fraud. The men were sentenced to over six and half years in prison, collectively, and ordered to pay over \$1.72 million. The donation program was designed to assist qualifying businesses, municipal agencies, disadvantaged businesses, and non-profit organizations. Under false pretenses, the three men acquired government surplus property that was otherwise unavailable to the general public and then sold that property for over \$2.5 million.

Another investigation found that Paul Salavitch and Jeff Wilson, owners of Patriot Company, Inc., falsely represented to federal agencies that Patriot Company was a service-disabled veteran-owned small business. Salavitch lent his name and service-disabled veteran-owned small business eligibility to the fraud scheme, which allowed Wilson to obtain \$13.8 million in set-aside federal construction contracts that he was not eligible to receive. This investigation resulted in a \$2.1 million civil forfeiture and both men

pleading guilty to their role in the scheme. Wilson was sentenced to 18 months' imprisonment, and Salavitch was sentenced to three years' probation.

A multi-agency investigation enhanced by our data analytics work revealed that five individuals created fraudulent registrations in GSA's System for Award Management and used them to obtain contracts to provide substandard and counterfeit items to the U.S. Department of Defense. They were all charged and arrested in Florida for conspiracy to defraud the government, false and fictitious claims, use of false documents, and wire fraud violations. All five pleaded guilty and received sentencings ranging from eight months' imprisonment to probation. Collectively, they were ordered to pay over \$150,000 in restitution.

In other outstanding data analytics work, our investigators found that debarred contractor Alter Stesel created fictitious companies and identities, registered them in GSA's System for Award Management, and falsely certified to the U.S. Government that he was not currently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts. As a result of these misrepresentations, Stesel's companies were awarded 44 contract actions, obligating over \$300,000 in federal contracts he was not eligible to receive. The investigation resulted in Stesel's imprisonment and the debarments of four identities and four companies he used for this scheme, and it exemplified successful use of data analytics to thwart efforts to undermine the integrity of the federal procurement process.

An investigation resulted in the sentencing of Jim A. Meron, owner of Wow Imaging Products, LLC, to 33 months' imprisonment and the forfeiture of \$1.7 million in assets. He pled guilty to wire fraud in connection with his scheme to substitute compatible toner cartridges for genuine original equipment manufacturer cartridges ordered by government customers through the GSA Advantage online ordering system.

The above examples illustrate the important work of the Office of Investigations, and the variety and complexity of the schemes that must be investigated to address fraud, waste and abuse in GSA's multi-billion dollar activities. Without the work of OIG special agents, analysts, and support personnel in all these areas, the integrity of GSA programs, operations, and staff would be undermined to the detriment of the Agency, the federal agencies who invest their taxpayer dollars in GSA's building and acquisition services, and the public interest in good governance and justice.

## **Office of Inspections**

### **Program Description**

The Office of Inspections is responsible for independently and objectively analyzing and evaluating GSA's programs and operations through management and programmatic

*U.S. General Services Administration  
Office of Inspector General*

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inspections that are intended to provide insight into issues of concern to GSA, Congress, and the American public. The office also formulates, directs, and coordinates quality assurance for the OIG.

Inspections are systematic and independent assessments of the design, implementation, and results of GSA's operations, programs, and policies. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability. In 2019, the Office of Inspections issued one report, one public management alert, and four nonpublic alerts.

In 2019, the Office of Inspections issued report JE19-002 *Evaluation of GSA's Management and Administration of the Old Post Office Building Lease*. The evaluation found that it was necessary for GSA to consider whether the President-elect's business interests in the OPO might cause a breach of the lease under Section 37.19, Interested Parties provision, upon his becoming President. We found that although GSA recognized the President's business interests raised issues under the Constitution's Emoluments Clauses, they decided not to address those issues with the management of the lease. Furthermore, we found that GSA's Office of General Counsel improperly ignored the Emoluments Clauses even though the lease itself requires compliance with the laws of the United States, including the Constitution. In turn, this unwillingness to address the constitutional issues affected the agency's analysis of Section 37.19 of the lease and its decision to certify lease compliance.

The impact of GSA's failure extends beyond the OPO lease. GSA manages and administers over 750,000 rentable square feet of wholly outleased federal buildings. The report also found that relevant GSA personnel did not know what the Interested Parties provision meant, even though GSA included substantially similar provisions in outleases of other historic buildings before and since executing the OPO lease. Therefore, our report recommended that before continuing to use the language, GSA should determine the purpose of the Interested Parties provision, conduct a formal legal review by OGC that includes consideration of the Foreign and Presidential Emoluments Clauses, and revise the language to avoid ambiguity. However, due to disagreement over GSA's plan to address our recommendation, the OIG believes that GSA's proposed corrective action plan is not responsive to the recommendation and therefore considers it an outstanding recommendation.

During the course of an ongoing evaluation, we identified a significant deficiency in GSA's continuity program, resulting in the issuance of report JE19-006 *Agency Management Alert: GSA's Continuity Plan is Outdated and Insufficient*. We found that GSA did not have an updated and approved agency-wide continuity plan that included plans for the reconstitution of the Executive Branch, a GSA primary mission essential function during a catastrophic emergency. We recommended GSA should review, update, and obtain approval for the agency-wide GSA national continuity plan that reflects current business operations and meets federal requirements, and establish a formal, annual process for reviewing GSA's national continuity plan.

The Office of Inspections issued four nonpublic reports concerning suspected security violations and security incidents. We identified numerous instances of GSA employees sending sensitive GSA business information from their government email accounts to their private email accounts outside the GSA network.

## **Executive Direction and Business Support Offices**

### **Program Descriptions**

**Office of the Inspector General:** The Inspector General (IG), Deputy Inspector General, Associate Inspector General, and their support staff supervise, coordinate, and provide policy and programmatic direction for all activities within the OIG, including audit, investigation, and inspection activities; Congressional affairs; and media relations. The IG recommends policies for and coordinates activities to promote economy and efficiency in the administration of and the prevention and detection of fraud and abuse in the programs and operations of GSA.

**Office of Counsel:** This office provides legal advice and assistance to all OIG components nationwide, represents the interests of the OIG in connection with audits and investigations and in litigation arising out of or affecting OIG operations, and advises on statutes and regulations and assists with legislative concerns. Counsel represents the OIG in personnel matters before administrative tribunals and provides support to U.S. Attorneys' Offices and the DOJ in False Claims Act and other litigation. The Office of Counsel also is responsible for the OIG's ethics, Freedom of Information Act, and Federal Acquisition Regulation mandatory disclosure programs.

**Office of Administration:** This office consists of a multidisciplinary staff that provides budgetary, human resources, information technology, facilities, contracting, and other administrative support and services to all OIG offices. The Office of Administration is responsible for providing the technical, financial, and administrative infrastructure to the OIG.

## **GSA OIG FY 2021 Performance Plan**

The OIG's strategic plan aligns with our statutory reporting requirements in the Semiannual Report to the Congress (SAR). We provide our annual performance in the SAR that is published shortly after the end of each fiscal year.

### **Strategic Goal No. 1: Protect taxpayer dollars by promoting the economy, efficiency, and effectiveness of GSA programs and operations.**

#### **Discussion**

The OIG's audits, inspections, and investigations support GSA operations by identifying mismanagement and control weaknesses; assisting contracting officers in achieving the best prices for goods and services; identifying non-compliance with statutes, regulations, and contract terms; suggesting ways to mitigate management control weaknesses and other systemic problems; and recommending or seeking recoveries of funds owed to the government. Audits, inspections, and investigations are performed in response to indications of possible deficiencies and requests for assistance from GSA personnel and Congress. The OIG advises GSA management of identified opportunities to increase the economy, efficiency, and effectiveness of GSA's programs and operations.

#### **Performance Goals:**

- *Identify potential savings and efficiencies in GSA contracts and programs.*
- *Seek recoveries of monies owed the United States.*
- *Provide audit, inspection, investigation, and other reports and memoranda that enable agency management to make improvements in agency operations.*

#### **Performance Measures:**

- *Dollar value of civil, criminal, and administrative monetary accomplishments.*
- *Financial impact identified in audit reports and memoranda issued.*
- *Program impact identified in audit reports and memoranda.*
- *Program impact identified in inspection reports and memoranda.*

**Strategic Goal No. 2: Prevent and detect fraud and abuse in GSA programs and operations.**

**Discussion**

The OIG uses information from its audits, investigations, and inspections to suggest ways GSA can mitigate problems that could allow fraud and or abuse to occur. The OIG detects potential fraud and other criminal conduct, and refers potential fraud cases to the Department of Justice. The OIG will provide information to GSA relevant to administrative actions and potential debarments.

**Performance Goals:**

- *Investigate allegations indicating violations of statutes, regulations, and policies.*
- *Seek Department of Justice involvement in potential fraud cases.*
- *Refer contractors to GSA officials for suspension and debarment where their level of responsibility poses a risk to federal government customers.*
- *Provide agency management with information necessary to take personnel and other administrative actions.*

**Performance Measures:**

- *Number of criminal referrals, acceptances, and convictions.*
- *Number of civil referrals, acceptances, and resolutions.*

**OIG Strategic Goal No. 3: Focus on high-risk and high-impact areas.**

**Discussion**

The OIG will focus its audit, inspection, and investigation resources on issues with potentially significant impact on GSA programs and operations; assist GSA management in ensuring the integrity of high-dollar and high-priority programs and procurements; and recommend to GSA any necessary programmatic changes to ensure process efficiency and achievement of the agency's mission and goals. By focusing on high-risk areas, the OIG should achieve greater monetary savings for GSA.

**Performance Goals:**

- *Perform audits of GSA contracts, programs, and systems that present the most significant management challenges, high-risk areas, cybersecurity vulnerabilities, and opportunities for improvement.*

*U.S. General Services Administration  
Office of Inspector General*

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- *Perform inspections of high priority and high visibility GSA programs and activities that present significant risks to GSA and its stakeholders.*
- *Devote investigative resources to potentially significant government losses and serious breaches of the integrity of agency programs and operations.*

***Performance Measures:***

- *Percent of audit resources focused on high-priority areas, including management challenges and support of False Claims qui tam and other civil prosecution cases.*
- *Percent of inspection resources focused on high-priority assignments that impact GSA or the Federal Government.*
- *Percent of investigative resources focused on fraud and other high-priority cases.*

**(THE PRESIDENT’S BUDGET PROPOSES THE TRANSFER OF THE OFFICE OF PERSONNEL MANAGEMENT OFFICE OF INSPECTOR GENERAL (OPM OIG) TO THE GENERAL SERVICES ADMINISTRATION OFFICE OF INSPECTOR GENERAL (GSA OIG). WHILE AWAITING ENACTMENT OF SUCH AUTHORIZING LEGISLATION, WE HAVE INCLUDED OPM OIG’S PORTION OF THE FY 2021 BUDGET IN THE FOLLOWING PAGES.)**

## OPM OIG FY 2021 Request

### Salaries & Expenses and Trust Fund

The U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG), is requesting **\$34,458,000** for its fiscal year (FY) 2021 budget. This request is composed of \$5,000,000 from the Salaries and Expenses General Fund and \$29,458,000 from the OPM Trust Funds. This budget request reflects the full merger of OPM and the General Services Administration (GSA) and their respective OIGs, consistent with the Office of Management and Budget's (OMB) *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* (June 21, 2018).

Due to significant operational needs to directly support high-priority oversight activities, the OPM OIG is requesting an increase of \$4,193,000 in our OPM Trust Funds appropriation.

Budgetary Resources	FY 2019 Enacted		FY 2020 Enacted		FY 2021 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$5,000,000	20	\$5,000,000	20	\$5,000,000	21
Trust Fund Annual	\$25,265,000	134	\$25,265,000	134	\$29,458,000	154
<b>Total Discretionary (dollars)</b>	<b>\$30,265,000</b>	<b>154</b>	<b>\$30,265,000</b>	<b>154</b>	<b>\$34,458,000</b>	<b>175</b>

### Revolving Fund

For FY 2021, the OPM OIG estimates that **\$776,046** and 6 full-time equivalent (FTE) will be required for OPM Revolving Fund (RF) oversight activities. Currently, the OPM RF consists of the following programs: Human Resources (HR) Solutions; Enterprise Human Resources Integration (EHRI); HR Line of Business (HRLoB); HR Tools & Technology (HRTT); Suitability Executive Agent; and Credit Monitoring.

For FY 2020, the OPM OIG requested \$2,959,000 from the RF to cover future-year criminal investigations to ensure the continuity of OPM OIG criminal investigative work after the National Background Investigations Bureau (NBIB) background investigations function was transferred to the Department of Defense (DoD). After the publishing of the FY 2020 Congressional Budget Justification, it was determined that the DoD OIG will have oversight of any criminal investigative work discovered after September 30, 2019. As a result, the OPM OIG now estimates that \$684,845 and 5 FTE will be required for OPM RF oversight activities in FY 2020 for RF activities that occurred prior to September 30, 2019.

Budgetary Resources	FY 2019 Enacted		FY 2020 Enacted*		FY 2021 Request	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund (Estimated)	\$2,748,000	17	\$2,959,000	6	\$776,046	6
<b>OIG Total (dollars)</b>	<b>\$2,748,000</b>	<b>17</b>	<b>\$2,959,000</b>	<b>6</b>	<b>\$776,046</b>	<b>6</b>

\*Estimate has been revised to \$684,845 and 5 FTE

**National Background Investigations Legacy Oversight**

On October 1, 2019, the NBIB function transferred to DoD and is now the Defense Counterintelligence and Security Agency (DCSA). The OPM OIG continues to partner with DoD OIG to ensure the continuity of law enforcement investigations of NBIB activities that began prior to the transition. This includes completing criminal investigations opened prior to October 1, 2019. The OPM OIG is currently working with DCSA to establish an interagency agreement that will provide the necessary funding required to complete the NBIB legacy oversight work.

**Additional Investments**

The OPM OIG requests additional investments in the following areas:

Investment Area	OIG Office	\$	FTE
Audit Oversight – FEHBP	Audits	\$1,046,000	8.0
Cloud Computing Infrastructure as a Service (IaaS)	Management	\$369,000	0.0
Data Scientist	Management	\$184,000	1.0
Opioid Crisis & Improper Payments – FEHBP	Investigations	\$2,039,000	12.0
Personnel Increases	OIG	\$353,000	0.0
Increase in Awards	OIG	\$202,000	0.0
<b>Total</b>		<b>\$4,193,000</b>	<b>21.0</b>

**Budget Investments – FY 2021**

**Increased Audit Oversight (\$1,046,000 for 8 FTE)**

The Federal Employees Health Benefits Program (FEHBP) is the top oversight priority for the OPM OIG’s Office of Audits. This includes oversight of the health plans that participate in the FEHBP, the programs and operations of pharmacy benefit managers (PBMs) that contract with the health plans to provide prescription drug benefits and services, and the information systems used by health carriers to process medical claims and the sensitive information associated with them. Much of the OPM OIG’s FEHBP audit work focuses on improving internal controls and preventing improper payments. From FY 2015 to FY 2018, OPM OIG audits led to the recovery of more than \$115 million to the FEHBP Trust Fund, an average of over \$28 million per year. However, because the OPM OIG does not have sufficient resources to audit all health plans in a timely manner, many years are left unaudited. Because of this, the OPM OIG estimates approximately \$15–\$20 million annually in potential improper payments has not been recovered during recent years.

In addition to the FEHBP, the OPM OIG provides oversight for numerous other OPM activities and benefits, such as the Retirement Program, the Federal Employees’ Group Life Insurance Program (FEGLI), the Federal Flexible Spending Account Program (FSAFEDS), the Federal Long Term Care Insurance Program (FLTCIP), and the Federal Employees Dental and Vision Insurance Program (FEDVIP). The OPM OIG also has oversight responsibility for the mandatory work OPM must complete such as the Consolidated Financial Statements, Improper Payment Reporting, Digital Accountability

and Transparency Act (DATA Act) compliance, and Federal Information Security Modernization Act (FISMA) audits.

Each of the audit groups within the Office of Audits is responsible for auditing 1 or more different audit universes of OPM programs. For each of these audit universes, the OPM OIG determines a target audit cycle (the frequency of audits) based on risk. At current resource levels, the OPM OIG does not come close to meeting those targets, as shown in the tables in the sections below for FEHBP-related audits.

Based on the OPM OIG analysis of our various audit responsibilities, a risk-based determination of the target audit cycle, and using historical data on the time it takes to complete those audits, the OPM OIG can determine the staffing levels needed to meet the target audit cycles. This analysis currently shows that the Office of Audits has a staffing shortage of 28 FTE. An investment in staffing at this level would not only allow the OPM OIG to meet the target audit cycles, but would also increase monetary recoveries to the FEHBP Trust Fund, largely eliminating lost recoveries. In FY 2021, the OPM OIG is requesting \$1,046,000 for 8 FTE. This amount will help close the gap between the OIG's projected oversight responsibilities and our current capabilities.

#### **Information Systems Audits Group (\$261,000 for 2 FTE)**

OPM manages a wide portfolio of information systems to help fulfill its mission. OPM systems support the processing of retirement claims and multiple Governmentwide human resources services. Private health insurance carriers participating in the FEHBP rely upon information systems to administer health benefits to millions of current and former Federal employees and their dependents. The ever-increasing frequency and sophistication of cyberattacks on both the private and public sector make the implementation and maintenance of mature cybersecurity programs a critical need for OPM and its contractors. The Information Systems Audits Group identifies potential weaknesses in the auditee's cybersecurity posture and provides tangible strategies to correct those weaknesses.

Regarding audits of OPM's internal information technology (IT) security program, the Office of Audits' efforts focused on the annual FISMA audit, FISMA-related system audits, and on OPM's IT modernization program. The plan for improving oversight of this critical area is centered on conducting audits of significant, high-risk issues to supplement detailed audits of OPM's major IT systems. For example, in the last 2 fiscal years, the OPM OIG conducted audits of OPM's security assessment and authorization program, OPM's web application security assessment process, and OPM's compliance with the Federal Information Technology Acquisition Reform Act.

The data breaches of a few years ago at the FEHBP plans of Anthem, Excellus, and Premera Blue Cross Blue Shield highlight the need for an increased focus on cybersecurity in the health insurance industry. OPM contracts with approximately 225 private health insurance carriers as part of the FEHBP, and these organizations process sensitive

*U.S. General Services Administration  
Office of Inspector General*

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personal information for over 8 million Federal employees, dependents, and annuitants. Because some of these carriers use shared data processing environments, there are approximately 80 unique information systems that comprise the OPM OIG audit universe.

The 2 additional FTE we are requesting for FY 2021 will allow the OPM OIG to further implement a plan begun in FY 2018 wherein the OPM OIG Office of Audits conducts less comprehensive audits, which are focused on the highest risk areas, at smaller FEHBP carriers. The OPM OIG received 2 FTE for IT audits in FY 2019, and, along with the replacement of departed staff, the OPM OIG Office of Audits projects that this will decrease our audit cycle to 7.6 years in FY 2020. The addition of 2 more FTE in FY 2021 for IT audits of FEHBP carriers will greatly improve the audit cycle, as the OPM OIG estimates the time span between audits would be reduced to 6.4 years in FY 2021, further helping to ensure that the carriers have implemented the proper IT security controls to protect Federal data. The full staffing needs of the Information Systems Audits Group are 5 FTE, which would reduce the overall audit cycle for the FEHBP carrier IT security audits to the target of 3 years.

	Target Audit Cycle	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Projected)	FY 2021 (Projected)
Carrier IT Security Audits	3 Years	13 Years	10.4 Years	12.3 Years	7.6 Years	6.4 Years

**Experience-Rated Audits Group (\$131,000 for 1 FTE)**

The FEHBP offers a variety of experience-rated plans, including a service benefit plan and health plans operated or sponsored by Federal employee organizations, associations, or unions. Experience-rated Health Maintenance Organizations (HMOs) also fall into this category. The Experience-Rated Audits Group provides oversight of these FEHBP plans by focusing on the appropriateness of FEHBP contract charges and the recovery of applicable credits; the effectiveness of the plan’s claims processing, financial management, cost accounting, and cash management systems; and the adequacy of the plan’s internal controls to ensure the proper contract charges and benefit payments.

In recent years, the OPM OIG has been unable to audit, on average, 29 plan years annually. This equates to estimated lost audit recoveries of approximately \$5.3 million each year. In other words, if the OPM OIG was able to increase its experience-rated audits staff and do more audits each year, an additional \$5 million per year in improper payments could possibly be recovered for the FEHBP Trust Fund. The OPM OIG investment request for FY 2021—an additional 1 FTE for our Experience-Rated Audits Group—would enable the OPM OIG to complete an additional 1 audit per year, potentially recovering an additional \$1 million a year in improper payments for the FEHBP Trust Fund. In addition, the added FTE would improve the OPM OIG’s experience-rated carrier audit cycle, reducing it to a projected 9.1 years. The full staffing needs of the Experience-Rated Audits Group are 5 additional FTE, which would reduce the overall audit cycle for the

*U.S. General Services Administration  
Office of Inspector General*

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FEHBP audits to the target of 7 years and virtually eliminate the lost audit recoveries of \$5.3 million annually by FY 2023.

	Target Audit Cycle	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Projected)	FY 2021 (Projected)
Experience-Rated Carrier Audits	7 Years	13.1 Years	9.7 Years	11.8 Years	9.8 Years	9.1 Years

**Community-Rated Audits Group (\$261,000 for 2 FTE)**

The Community-Rated Audits Group oversees the approximately 150 community-rated carriers participating in the FEHBP. Community-rated audits are designed to ensure that the premium rates health plans charge the FEHBP are in accordance with their respective contracts and applicable Federal law and regulation.

Based on risk factors, the Community-Rated Audits Group developed a target audit cycle of 4.7 years; however, the actual audit cycle for FY 2019 was over 25 years. In order to meet the OPM OIG’s target audit cycle, the Community-Rated Audits Group should be conducting 32 audits each year. Unfortunately, the Community-Rated Audits Group is currently only able to complete 6 audits each year, or approximately 19 percent of the needed audits. In order to get closer to completing the target 32 audits each year, the Community-Rated Audits Group needs an additional 7 FTE.

Bringing on 2 additional FTE in FY 2021 would allow for 3 to 4 additional audits each year. This would reduce the audit cycle in FY 2021 by approximately 12 years compared to FY 2019. If the full staffing needs were received, the audit cycle would be near the target.

	Target Audit Cycle	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Projected)	FY 2021 (Projected)
Community-Rated Audits Group	4.7 Years	15.5 Years	16.5 Years	25.7 Years	22 Years	14 Years

**Claim Audits and Analytics Group (\$131,000 for 1 FTE)**

The Claim Audits and Analytics Group conducts audits of the claims processed and paid by experience-rated FEHBP plans by using the claims information in the OPM OIG FEHBP data warehouse. This audit work includes audits of individual plans and audits of individual issues, such as duplicate payments, on a global basis across many FEHBP health plans. In addition, this group conducts some limited data mining analysis, attempting to identify potential new high-risk areas for further review.

Over the last 4 fiscal years, this group has identified over \$170 million of potential improper payments, an average of over \$25 million annually per FTE assigned to this group. The OPM OIG believes that we are still just scratching the surface of the types of improper

payments that exist in the \$52 billion-a-year FEHBP, and additional resources for this group will help better identify those improper payments and return them to the FEHBP Trust Fund. Current staffing needs for the Claim Audits and Analytics Group are 3 FTE.

**Internal Audits Group (\$131,000 for 1 FTE)**

The Internal Audits Group focuses on improving the efficiency and effectiveness of OPM operations and their corresponding internal controls in programs such as the Retirement Program and Human Resources Solutions. The Internal Audits Group is also responsible for conducting or overseeing certain statutorily required audits, including the annual audit of OPM's consolidated financial statements required under the Chief Financial Officers Act of 1990.

The OPM OIG developed risk-based target audit cycles for OPM's various program offices, including the mandatory work the Internal Audits Group is required to perform or oversee each year. Based on this assessment, the Internal Audits Group needs to conduct 10 audits each year. However, with its current staff, the Internal Audits Group is only able to complete 5 audits each year, 4 of which are mandatory (oversight over OPM's Consolidated Financial Statement audit, the Improper Payments Elimination and Recovery Act audit, the Credit Card Abuse Prevention Act reporting, and the DATA Act audit), leaving little coverage of the Retirement Program and other OPM program offices.

In order to achieve our target audit cycle, the Internal Audits Group needs an additional 3 FTE. The addition of 1 FTE in FY 2021 will allow the Internal Audits Group to add an audit of a high-profile audit area, such as the Retirement Program. The Retirement Program is particularly susceptible to improper payments, with annual improper payments of over \$200 million. With current OPM OIG Audit staff, we cannot adequately oversee this program. Additional FTE will lead to more consistent audit oversight of the Retirement Program, leading to improved internal controls and reduced improper payments.

**Special Audits Group (\$131,000 for 1 FTE)**

In addition to health insurance and retirement programs, OPM administers various other benefit programs for Federal employees, including FEGLI, FSAFEDS, FLTCIP, and FEDVIP. The Special Audits Group has responsibility for providing oversight of these various benefit programs as well as over PBMs that provide the prescription drug benefit for FEHBP carriers. The objective of these audits is to ensure that costs charged and services provided to Federal subscribers are in accordance with the contracts and applicable Federal regulations. Additionally, the OPM OIG staff performs audits of the Combined Federal Campaign (CFC) to ensure that monies donated by Federal employees are properly handled and disbursed to charities according to the designations of contributing employees.

By hiring 1 additional auditor in FY 2021 to work on PBM audits, the Special Audits Group will be able to increase the number of PBM audits from 2 to 3 per year. Since prescription drug costs are an area of national scrutiny and a major contributor to the cost of health

*U.S. General Services Administration  
Office of Inspector General*

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care, the additional audit per year would provide more frequent and consistent oversight to this high-risk area. The 1 additional PBM audit each year would result in an overall 64 percent audit completion rate for the Special Audits Group, bringing the total number of audits conducted from 8 to 9 in FY 2021 and reducing the PBM audit cycle to 7.3 years.

	Target Audit Cycle	FY 2017 (Actual)	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Projected)	FY 2021 (Projected)
Pharmacy Benefit Manager Audits	4.8 Years	11 Years	11 Years	11 Years	11 Years	7.3 Years

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has performed an analysis of our risk-based audit plan for all of the Special Audits Group audit areas and has determined the optimal overall target audit cycle to be 4.8 years, which equates to 14 audits per year. Based on this analysis, the Special Audits Group will need 5 additional audit staff to achieve this overall target audit cycle. At current staffing levels, the Office of Audits is only able to complete 8 of the 14 audits needed each year. This represents a 57 percent audit completion rate. The full staffing needs of the Special Audits Group of 5 FTE would reduce the overall audit cycle to the target of 4.8 years.

**Information Technology Investments (\$553,000 for 1 FTE)  
Cloud Computing Infrastructure as a Service (IaaS) (\$369,000)**

The OPM OIG owns and operates its own IT infrastructure within the broader technical environment maintained by the agency. The OPM OIG infrastructure contains a variety of applications and analytical tools that store and process highly sensitive data derived from OPM benefits programs. The data is used by auditors, investigators, and evaluators in the course of their oversight activity—to include the identification of improper payments—to assess levels of exposure of alleged fraud, waste, and abuse in OPM programs and to analyze the impact of the opioid crisis on the FEHBP.

In FY 2018, the OPM OIG launched a multiyear effort to modernize its technical infrastructure and to fully mature its information security program. Thus far, the OPM OIG has successfully completed the following modernization efforts:

**Consolidated its computer server footprint**

The OPM OIG IT infrastructure has been reduced to 4 physical computer servers that host over 100 virtual machines, resulting in a cloud-ready environment.

**Implemented a Virtual Desktop Infrastructure (VDI)**

OPM OIG users securely access critical applications using VDI desktops that enforce 2-factor authentication using Personal Identity Verification (PIV) cards, as required by OMB Memorandum M-11-11.

**Improved its disaster recovery capabilities**

The OPM OIG data is automatically backed up to a secure offsite location on a daily basis.

**Created an information assurance group**

The OPM OIG hired a team of dedicated cybersecurity professionals that operate independently of the IT operations team. This group is responsible for the real-time information security monitoring of the OPM OIG's systems.

In addition to these completed projects, the OPM OIG is currently in the middle of its largest IT modernization initiative: replacing its legacy FEHBP Data Warehouse (approximately 50-percent complete as of January 2020). The FEHBP Data Warehouse system is used by OPM OIG auditors and investigators to analyze health care claims obtained from insurance carriers participating in the FEHBP. The new system is designed to leverage the latest technology in data analytics, business intelligence, and reporting and will facilitate broader and more secure access to its users.

In lieu of procuring additional computer hardware to support this project, the replacement FEHBP Data Warehouse is being developed 100 percent in a cloud environment—specifically, within the Amazon Web Services (AWS) GovCloud.

The new system is scheduled to be completed by October 1, 2020. Beginning in FY 2021, it will cost \$369,000 per year to maintain the entire technical infrastructure in the AWS GovCloud. This includes costs for hosting the servers, security tools, disaster recovery, file storage, and data input/output. This investment will allow the OPM OIG to run its oversight mission more effectively and will help further strengthen the security controls surrounding sensitive data.

**Data Scientist (\$184,000 for 1 FTE)**

A June 27, 2019, memorandum from OPM to all Federal HR directors established a new “data scientist” job title that can be applied to a variety of existing Federal career types. The memo describes data scientists as “practitioners with sufficient knowledge in the areas of business needs, domain knowledge, analytical skills, and software and systems engineering to manage the end-to-end data processes in the data life cycle.”

As mentioned above, the OPM OIG maintains a system called the FEHBP Data Warehouse that contains billions of medical records of FEHBP members. The OPM OIG has been very successful in analyzing and mining this data for audit and investigative purposes, and this system is the source of millions of dollars in financial recoveries related to improper payments every year. However, the current work does not meet the full potential of analytical information that could be derived from this data. Currently, the OPM OIG is equally limited by both the skillset of its current staff and by the technical limitations of the system.

Upon the completion of the migration in FY 2020, the OPM OIG will need \$184,000 to fund 1 data scientist in order to leverage the possibilities of the new system. The data scientist will be able to improve the efficiency of health care data mining and querying, as well as implement modern concepts such as machine learning and predictive analytics. In order to take full advantage of the health care data in its system, the OPM OIG intends to recruit a data scientist in both the IT Specialist (2210) and Medical and Health Care (0601) career series.

### **Investigative Oversight - Opioid Crisis & Improper Payments (\$2,039,000 for 12 FTE)**

The OPM OIG Office of Investigations conducts criminal, civil, and administrative investigations of fraud, waste, abuse, and mismanagement related to OPM programs and operations. In October 2017, the President declared the opioid crisis a public health emergency and directed a multiagency response to combat the issue. Increased resources will go directly to protecting Federal employees, retirees, and their dependents potentially suffering or at risk of opioid abuse, addiction, and overdose or any of the ancillary fraud schemes that harm those caught in the crisis.

The OPM OIG is requesting 12 FTE to fight against the ongoing opioid crisis; against predatory bad actors whose schemes harm Federal employees, retirees, and their dependents; and against new and evolving fraud schemes, improper payments, and program vulnerabilities that threaten the integrity of the FEHBP and OPM retirement programs. An additional 12 FTE will address priority opioid-related investigations that are not assigned because of investigative capacity limitations and will reduce individual investigator caseloads overall while keeping pace with current investigations and investigative priorities, such as patient harm and improper payments.

### **Addressing Priority Opioid-Related Investigations**

Fraudulent and harmful schemes related to the opioid crisis continue to evolve. Our investigations are not isolated to pill mills that want only to dispense medications illegally or without medical purpose or a single FEHBP subscriber who goes doctor shopping or diverts prescriptions. Many frauds are complex schemes with high ancillary financial costs and risks of patient harm. It is important the OPM OIG have the resources to target the variety of opioid-related schemes we encounter. During FY 2018, our investigative capacity prevented the OPM OIG from addressing 29 opioid cases. In the first 3 quarters of FY 2019, the number of priority opioid cases not worked due to resource limitations rose to 81. While the OPM OIG has pursued 160 opioid cases in FY 2019, with the requested additional 12 FTE, the OPM OIG would be able to increase our opioid-related cases by 40 percent within 2 years of onboarding new staff.

### **Increasing Investigator Effectiveness by Reducing Investigative Caseloads**

Last year, our criminal investigators worked 638 cases. However, we could not fully evaluate hundreds of additional complaints because of the high volume of qui tam civil case referrals, carrier referrals, and proactive leads versus the resource limitations of the Office of Investigations. Since the opioid crisis became a focus of the Administration, the

OPM OIG's total cases increased by 47 percent and investigative caseloads swelled to nearly 25 concurrent cases per investigative staff. We regard the most effective caseload to be approximately 7 to 10 cases per investigative staff.

All Office of Investigations cases require a significant number of FTE hours to investigate the financial impact or harm experienced by a beneficiary. Our most common investigations are into fraud against the OPM trust funds (96 percent of cases), which are time- and labor-intensive investigations that often uncover patient harm and massive program losses. On average, health care fraud investigations take up to 5 years to resolve. Opioid cases, which have increased caseloads, also present increased danger to criminal investigators performing law enforcement activities. Additional criminal investigators will increase the safety of OPM OIG criminal investigative staff by providing operational support for investigative, search, and arrest actions.

Exorbitant caseloads limit investigators' opportunities to determine the full financial impact or harm experienced by beneficiaries. Currently, we are limited by our resources to addressing only the most egregious wrongdoing. High caseloads negatively affect our review of case notifications and referrals, causing viable referrals to be returned to OPM program offices for administrative action without the potential for law enforcement action and restitution of ill-gotten OPM and taxpayer dollars.

The resources request of 12 FTE is expected to reduce caseloads to an average of 10 to 16 cases per staff while improving outcomes related to our law enforcement statistics. While this request for resources will not achieve a 7–10 caseload, the anticipated lower caseload (approximately 16 cases per staff) will improve investigator effectiveness and allow for the review and handling of more complaints.

### **Meeting Administration Goals Relating to the Agency's Programs**

OPM OIG cases focusing on combatting the opioid crisis are inseparable from our work to prevent improper payments. The opioid crisis involves grave risks of patient harm, but improper payments are principally at the crux of opioid cases. The sophisticated fraud schemes and ancillary fraud costs (e.g., sober home and pass-through billing schemes) related to the opioid crisis rely on program vulnerabilities and can be uniquely damaging to patients and the FEHBP. The requested increase in resources reflects the OPM OIG's ongoing efforts to lower the number of opioid-related abuse and addiction deaths among FEHBP subscribers (an average of 700 deaths per year from January 2012 to September 2018) and reduce the \$355.5 million in FEHBP and retirement program annual improper payments, among other significant initiatives.

The additional resources will increase the OPM OIG's ability to evaluate and prioritize cases involving patient safety/patient harm, especially opioid-related cases; perform remunerative investigations that protect annuitants from elder abuse and financial harm in cases relating to the OPM trust funds; and increase oversight of OPM program integrity. Last year, the OPM OIG received 1,759 total complaints, including 1,161 fraud complaints

related to the FEHBP from contracted health insurance carrier antifraud units and an additional 400-plus in qui tam complaints from the Department of Justice (DOJ). Based on the FEHBP carriers' complaint submissions, the OPM OIG estimates a minimum of \$92 million in potential improper payments in 2018 were closed without full investigative review due to our resource limitations.

For complaints where investigative resources are not assigned, the OPM OIG consistently refers cases back to the FEHBP carriers to pursue their own remedial actions. However, these referrals ultimately lead to higher administrative costs to the program and, often, lower recoveries for OPM, if money is recovered at all. In fact, to mitigate future losses, carriers must increase the use of manualized prepayment review processes or deploy "pay and chase" systems to recover funds. Both methods ultimately increase the FEHBP's administrative costs. Furthermore, carriers do not have global oversight and law enforcement authority against bad actors like the OPM OIG does.

#### **Personnel Cost Increases (\$353,000)**

- The FY 2020 Appropriations Act established an average 3.1-percent increase for the base General Schedules for CY 2020. In FY 2021, this increase will result in additional personnel costs totaling \$228,000 for the OPM OIG.
- For 2020, Federal Government health benefits increased on average 3.2 percent. In FY 2021, this increase will result in additional personnel costs totaling \$56,000 for the OPM OIG.
- For FY 2021, the OPM OIG utilized a health benefit increase assumption of 1.3 percent. In FY 2021, such an increase will cost an additional \$69,000.

#### **Increase in Awards (\$202,000)**

Spending resources on awards boosts morale and fosters an environment of motivation to maintain and improve performance. In such an environment, organizational goals are not only met but exceeded expectations. Employees are more likely to continue to go above and beyond when they are recognized for their contributions and achievements.

Increased focus on strategic results has enabled the OPM OIG to not only meet but also exceed our FY 2019 performance goals. This increase in awards spending supports the OPM OIG pay for performance efforts.

## **OPM OIG Overview**

The OPM OIG was established as a statutory entity on April 16, 1989. It operates under the authority of the Inspector General Act of 1978 (Public Law (P.L.) 95-452), as amended.

The OPM OIG offices provide comprehensive and cohesive oversight of OPM programs. Ongoing key initiatives include identifying and recommending recovery of improper payments related to the FEHBP and retirement annuities, ensuring that OPM and its contractors implement critical cybersecurity controls, and using proactive law enforcement methods to combat the effects of the opioid epidemic on the FEHBP and its enrollees.

The OPM OIG contains the following organizational components: the Office of Audits, the Office of Investigations, the Office of Evaluations, the Office of Management, and the Office of Legal and Legislative Affairs.

### **The Office of Audits**

The Office of Audits conducts comprehensive, independent, and risk-based audits of OPM programs, operations, and contractors. The Office of Audits assists the Director of OPM and the Congress by conducting audits that promote integrity and improve accountability of the information reported by OPM and improve the efficiency and effectiveness of OPM programs. Audits issued by the Office of Audits annually lead to the recovery of tens of millions of dollars of improper payments to the OPM trust funds.

The Office of Audits' core responsibility is auditing the activities of OPM contractors that underwrite and provide health and life insurance benefits to Federal employees, annuitants, and their dependents and survivors through the FEHBP and FEGLI. There are approximately 225 insurance carriers participating in the FEHBP, which has over \$120 billion in assets and annual premium payments that exceed \$52 billion. In addition, the Office of Audits conducts audits of OPM's Retirement Program, which manages the Civil Service Retirement and Disability Fund (CSRDF). The CSRDF has over \$900 billion in assets, and it makes monthly payments that exceed \$82 billion annually to approximately 2.6 million annuitants and survivors.

The Office of Audits also conducts a wide range of audit activities covering other OPM programs and administrative operations, such as:

- financial statement audits required by the Chief Financial Officers Act;
- audits of OPM compliance with laws and regulations;
- cybersecurity audits of OPM and its contractors, including all FEHBP health insurance carriers;
- audits of PBMs;
- audits of FLTCIP;
- audits of FEDVIP carriers;

- audits of OPM programs that involve the range of OPM's responsibilities, including RF activities HR services; and
- audits of the organization that administers the CFC.

### **The Office of Investigations**

The Office of Investigations conducts criminal, civil, and administrative investigations of fraud, waste, and abuse related to OPM programs and operations and investigates OPM employee and contractor misconduct or violations of criminal law. The Office of Investigations actively coordinates with the DOJ and other Federal, State, and local law enforcement authorities on investigations that lead to criminal prosecutions, criminal and civil monetary recoveries, administrative corrective actions, and exclusions from participation in Federal health care programs and contracts.

OPM OIG criminal investigators play a unique role in reducing waste within the Federal Government through the identification of fraud, waste, and abuse and improper payments primarily related to OPM's Retirement Program and the FEHBP. The Office of Investigations is also responsible for the recovery of millions of dollars annually for the Federal Government. Our criminal investigators directly contribute to public safety through the pursuit of program and contractor investigations that may have no direct monetary impact but serve to enhance the integrity of OPM programs.

The OPM OIG conducts root cause analysis on fraud schemes and conveys to OPM and its stakeholders timely information, results, and assessments about program performance and objectively assesses emerging concerns. The OPM OIG also works directly with OPM program managers, staff, and the OPM Director to ensure the integrity of OPM programs and resources.

OPM OIG investigations support the administration's priorities of addressing fraud, waste, and abuse, as well as combat the opioid epidemic as it affects the FEHBP. The Office of Investigations will use its FY 2021 resources to pursue the initiatives and goals of the above-stated guidance and priorities and to continue its ongoing investigative and enforcement actions.

#### **Labor-Intensive Casework**

The emphases on protecting the FEHBP population from the opioid crisis and on the President's Management Agenda represented a partial shift for our investigative planning, with fewer high-dollar health care fraud cases co-worked with other agencies, and caused a retraction in Office of Investigations recoveries during FYs 2016 and 2017. Opioid-related cases initially were mostly smaller bad actors that caused significant patient harm but lesser financial returns, and our efforts to stop improper payments shifted to proactive work to uncover program vulnerabilities and root causes.

*U.S. General Services Administration  
Office of Inspector General*

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	FY 2016	FY 2017	FY 2018	FY 2019
Indictments	52	110	88	130
Arrests	31	71	65	94
Convictions	34	50	54	83
Net Recoveries to OPM Trust Funds	\$13,477,050	\$12,382,492	\$25,028,908	\$39,380,135

These labor-intensive cases required significant investments from both criminal investigators and Investigative Support Operations analysts and took an average of 5 years to resolve fully. However, over this same period and through the OPM OIG's most recent semiannual reporting period of April 1, 2019, to September 30, 2019, Office of Investigations indictments, arrests, and convictions have increased. As the OPM OIG developed better data and more efficient investigative methods for combating the opioid crisis and improper payments universes, recovery amounts rebounded, including \$64,409,043 recovered since the beginning of FY 2018.

### **The Office of Evaluations**

The Office of Evaluations conducts studies of OPM programs and operations from a broad, issue-based perspective. The Office of Evaluations combines the scoping and planning of traditional audits with the more reactive nature of investigations to respond quickly to high priority issues requiring immediate attention. Evaluations focus on program effectiveness and rely on in-depth analysis using multiple sources of data. Our evaluations typically involve multiple objectives, have complex or very little criteria, and may involve multiple OPM components. The Office of Evaluations conducts its work according to CIGIE Quality Standards for Inspections and Evaluation (January 2012) by following the policies and processes detailed in these standards.

The Office of Evaluations has issued 9 final reports since its inception in FY 2015. The evaluations conducted by this small but adaptable office covers a variety of OPM programs and operations resulting in recommendations that minimized inefficiencies and corrected vulnerabilities in OPM's Retirement Services Program, the reporting of OPM's conference spending, OPM's oversight of the Federal Workers' Compensation Program, and OPM's Senior Executive Service and Performance Management Office.

### **The Office of Management**

The Office of Management is responsible for supporting OPM OIG functions related to IT, human capital, budget, procurement, and facilities. The Office of Management also has the operational responsibility for FEHBP administrative sanctions.

### **Administrative Sanctions**

The OPM OIG debars and suspends health care providers that present a threat to the integrity of the FEHBP and potentially to the health and safety of enrollees and their family members. Administrative sanctions are accomplished through the Federal Employees

*U.S. General Services Administration  
Office of Inspector General*

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Health Care Protection Act of 1998 (P.L. 105-266) and other related authorities, as well as by delegation from OPM. These authorities authorize the debarment, suspension, or imposition of financial assessments on health care providers who have committed any of 18 potentially sanctionable offenses.

**Information Technology**

The OPM OIG independently maintains its own internal IT infrastructure within the broader OPM technical environment. OPM OIG IT staff manages the system administration (hardware, software, and database), help desk, and information assurance functions of the OPM OIG IT environment. The OPM OIG information systems facilitate efficient and effective oversight of OPM and contain data from or about all of OPM’s programs and its contractors. The primary systems include a law enforcement case management system, a comprehensive audit management software package, and the in-house developed FEHBP Data Warehouse.

The FEHBP Data Warehouse contains detailed records of health insurance claim payments made by FEHBP insurance carrier contractors on behalf of OPM. This centralized repository of information allows OPM OIG auditors and investigators to apply data mining techniques to efficiently identify fraud, waste, and abuse in the FEHBP, ultimately leading to criminal prosecutions and/or annual recoveries of tens of millions of dollars of improper payments to the FEHBP Trust Fund and the Federal Government. Considering the highly sensitive nature of this information, the OPM OIG dedicates significant resources to its internal cybersecurity program, including the security assessment and accreditations of OPM OIG systems.

Spending Type	FY 2021 Request
Development, Modernization and Enhancement (DME)	\$0.00
Operation and Maintenance Government FTE	\$2,842,000
<b>Total OPM OIG IT Costs</b>	<b>\$2,842,000</b>
<b>FTE</b>	<b>19.0</b>

**The Office of Legal and Legislative Affairs**

The Office of Legal and Legislative Affairs provides legal advice and representation to the Inspector General and the OPM OIG employees nationwide. The Office of Legal and Legislative Affairs also renders opinions on OPM programs and operations, as well as providing legal support for the OPM OIG’s internal operations, including personnel and administration. In addition, the Office of Legal and Legislative Affairs provides guidance to the OPM OIG in all criminal, civil, and administrative fraud and abuse cases involving OPM programs, including the False Claims Act, health care benefits, and retirement benefits. In all these matters, the Office of Legal and Legislative Affairs supports, as appropriate, the DOJ in its representation of the Government, and reviews relevant legislative and regulatory proposals.

*U.S. General Services Administration  
Office of Inspector General*

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More specifically, the Office of Legal and Legislative Affairs provides legal guidance to the other offices within the OPM OIG, including providing support on criminal law procedure, audits, investigations, and subpoenas. Significantly, the Assistant Inspector General for Legal and Legislative Affairs serves as the debarment official in conjunction with the Office of Management's administrative sanctions work. The Office of Legal and Legislative Affairs works with OPM on health care, administrative litigation, and other matters.

The Office of Legal and Legislative Affairs also interacts with Congressional staff on behalf of the OPM OIG. In addition to the requirement that Federal inspectors general submit Semiannual Reports to the Congress, the OPM OIG also has a responsibility to recommend policies that would reduce fraud, waste, abuse, and mismanagement and to inform both the OPM Director and the Congress of serious problems or abuses within OPM programs. The Office of Legal and Legislative Affairs assists the OPM OIG in performing these duties by working with the Congress and OPM to promote legislative proposals that will further efforts to combat fraud, waste, and abuse.

Finally, the Office of Legal and Legislative Affairs also serves as an intermediary between the OPM OIG and the general public. The Office of Legal and Legislative Affairs coordinates OPM OIG responses to press inquiries, oversees external publications, and releases and responds to Freedom of Information Act and Privacy Act requests.

## OPM OIG Performance Metrics and Other Statistical Information

### Performance Metrics

The following performance metrics demonstrate how the OPM OIG measures improvements in organizational effectiveness in the accomplishment of its mission and goals.

	FY 2018	FY 2019	FY 2020	FY 2021
	Result	Result	Goal	Goal
Percentage of Items Completed on Audit Agenda, in accordance with Yellow Book Standards	100%	100%	89%	89%
Percentage of Audit Reports issued that meet OIG timeliness and quality guidelines	96%	100%	89%	89%
Percentage of investigative cases closed during a fiscal year which resulted in a successful outcome (i.e., criminal action, civil action or administrative action).	93%	97%	90%	90%
Percentage of quality improvement recommendations (revisions to contracts, policies, carrier letters, etc.) accepted by OIG senior staff and referred to stakeholders to mitigate fraud, waste, and abuse. <sup>A</sup>	90%	90%	90%	90%
Number of debarments and suspensions	914	875	850	850

### Other Statistical Information

The following statistical information demonstrates to the public the impact of the collective efforts of the OPM OIG, OPM, and its contractors in reducing fraud, waste, and abuse. The statistical information reported by the OPM OIG, while indicative of the effectiveness of its oversight, is not solely under the control of or based on the OPM OIG's efforts.

For example, improper payments and questionable contract charges identified by the OPM OIG in its audits of FEHBP health insurance carriers are referred to OPM for resolution. Based on its review of the audit findings and the response from the audited entity, OPM determines whether the questioned costs will be disallowed. On occasion, OPM may allow a cost that the OPM OIG identified as a potential improper payment. This may be because of additional information provided by the audited entity that was not available at the time of the audit, legal or contractual constraints, or because OPM has a different perspective on controversial issues arising out of the occasional conflict between program managers and oversight officials. Whatever the reason, the effect is that questionable activities identified by the OPM OIG are sometimes dismissed by OPM as acceptable costs to the program.

Even when OPM disallows costs, there are additional factors that can limit the recovery of those costs. The health insurance carriers are only required to return funds originally paid to individuals, doctors, or hospitals if the funds can be recovered from those payees. In addition, the insurance carriers sometimes contest disallowed costs and OPM determines that the best course is to settle for a fraction of the money owed to the program.

*U.S. General Services Administration  
Office of Inspector General*

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The overall net effect is that identified improper payments and questionable charges are rarely, if ever, fully recovered. The table below graphically demonstrates this by representing 2 distinct financial metrics based on the initial questioned costs and the costs that OPM has committed to recover. Questioned costs are a direct measurement of the OPM OIG’s performance, while the second benchmark is based on circumstances that are largely outside of the OPM OIG’s control. The recovery rate is also intended to describe this discrepancy, and is calculated on a rolling 5-year average to smooth out annual fluctuations. Recent large and controversial audit findings, where determination or recovery of improper payments is still outstanding, impacted this measurement significantly in FY 2017.

Another important statistic to communicate is the “audit cycle,” which is a measure of the OPM OIG’s ability to provide comprehensive oversight of the universe of audit entities, primarily FEHBP health insurance carriers. The targets represent the ideal frequency (in years) in which all entities are subject to an audit. The goal is based on a risk assessment and is influenced by contract terms stipulating how long financial and other records are subject to audit. This is not intended to be a performance metric, but rather a gap analysis between what could be achieved with full staffing and what can be done with current staff.

	FY 2017	FY 2018	FY 2019
	Result	Result	Result
Positive Financial Impact Using Questioned Costs <sup>A</sup>	\$92,958,930	\$104,816,614	\$101,119,104
ROI Using Questioned Costs <sup>A</sup>	\$4	\$4	\$3.3
Positive Financial Impact Using Management Commitment to Recover Funds <sup>A</sup>	\$82,184,447	\$82,522,471	\$72,821,979
ROI Using Management Commitment to Recover Funds <sup>A</sup>	\$3	\$3	\$2.7
Questioned Costs <sup>B,B1</sup>	\$52,253,034	\$109,363,440	\$30,881,876
FEHBP Audit Cycles (in years) <sup>C</sup>	<u>Target</u>		
Experience-Rated Carrier Audits	7	13.1	9.7
Community-Rated Carrier Audits	4	15.5	16.5
Carrier IT Security Audits	3	13.0	10.4
Audit Recovery Rate <sup>D</sup>	0.6	0.5	0.5
Number of Debarment and Suspension Inquiries	4,769	4,607	4,200

<sup>A</sup> The OPM OIG calculates positive financial impact and Return on Investment (ROI) in 2 different ways. The first method uses the total questioned costs from audit reports (fully under OPM OIG control), while the second uses the total of Management Commitments to Recover Funds (determinations made by OPM) in place of questioned costs. Both include the total of investigative recoveries OPM receives after an OPM OIG investigative case is closed, and both methods are presented using a 5-year average.

<sup>B</sup> Questioned cost means a cost that is questioned by the auditor because of an audit finding: (1) Which resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; (2) Where the costs, at the time of the audit, are not supported by adequate documentation; or (3) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

## U.S. General Services Administration Office of Inspector General

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- <sup>B1</sup> Questioned costs in FY 2017, FY 2018, and FY 2019 were \$52.3 million, \$109.4 million, and \$30.9 million, respectively. These are single year totals of questioned costs from audit reports issued, and this is not an unusual variance from year to year. This is part of the reason a 5-year average is used when reporting positive financial impact and ROI.

<sup>C</sup> An audit cycle measures the frequency of completed audits of carriers or other auditees in an audit universe. For example, if there are 100 carriers and 10 audits are done each year, the audit cycle is 10 years. For FEHBP carriers, regulations require that they maintain documentation supporting rates and costs for 6 years. The target audit cycle for these carriers is based on this and the realization that the older the information is that the OPM OIG is trying to audit, the less efficient the audit will be. The average target cycle for Experience-Rated Carriers is 7 years because there are a number of smaller carriers for which it does not make economic sense to audit more frequently than every 10 or 15 years. The Carrier IT target audit cycle is a function of the rapidly evolving IT environment.

<sup>D</sup> The audit recovery rate represents the percentage of questioned costs from audit reports that are ultimately recovered and returned to the FEHBP Trust Fund (a small percentage of questioned costs may relate to other programs). The recovery rate presented is a 5-year average, but because it is not unusual for the audit resolution process to take 2 or 3 years, or even more in some cases, the reported rate is based on incomplete information. To partially compensate for this, receivables are included in the calculation, some of which may not be recovered. The decrease in the recovery rate from FY 2017 (55%) to FY 2019 (45%) is partially due to the fact that there are approximately \$83 million of questioned costs for these 3 years for which OPM has not yet made a determination whether to allow or disallow the costs. The recovery rate for the most recent 5-year period for which all audit resolution activity is complete (FY 2011 – FY 2015) is 70.5 percent.

U.S. General Services Administration  
Office of Inspector General

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## OPM OIG Object Class Tables

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### Salaries and Expenses

Object Class	FY 2020 Enacted	FY 2021 Request	Increase/Decrease
Personnel compensation	\$3,057,000	\$3,258,000	\$201,000
Personnel benefits	\$922,000	\$1,039,000	\$117,000
Travel and transportation of persons	\$85,000	\$75,000	(\$10,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$723,000	\$416,000	(\$307,000)
Printing and reproduction	\$0	\$0	\$0
Other services	\$213,000	\$204,000	(\$9,000)
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$8,000	\$8,000
Land and structures	\$0	\$0	\$0
<b>Total Object Class</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$0</b>
<b>FTE</b>	<b>20.0</b>	<b>21.0</b>	<b>1.0</b>

### Trust Fund Limitations

Object Class	FY 2020 Enacted	FY 2021 Request	Increase/Decrease
Personnel compensation	\$14,764,000	\$18,379,000	\$3,615,000
Personnel benefits	\$4,723,000	\$6,744,000	\$2,021,000
Travel and transportation of persons	\$807,000	\$835,000	\$28,000
Transportation of things	\$10,000	\$10,000	\$0
Communications, utilities, and rent	\$3,594,000	\$1,720,000	(\$1,874,000)
Printing and reproduction	\$20,000	\$6,000	(\$14,000)
Other services	\$774,000	\$1,475,000	\$701,000
Supplies and materials	\$76,000	\$69,000	(\$7,000)
Equipment	\$497,000	\$220,000	(\$277,000)
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$25,265,000</b>	<b>\$29,458,000</b>	<b>\$4,193,000</b>
<b>FTE</b>	<b>134.0</b>	<b>154.0</b>	<b>20.0</b>

### OPM OIG Additional Reporting Requirements

The following information is provided to adhere to the requirements of the Inspector General Reform Act of 2008 (P.L. 110-498):

#### Participation in CIGIE Resource Summary – includes all resources (dollars)

Budget Source	FY 2020 Enacted		FY 2021 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$16,000	0.0	\$16,500	0.0	\$500	0.0
OIG Trust Funds	\$71,672	0.0	\$97,211	0.0	\$25,539	0.0
<b>OIG Total (dollars)</b>	<b>\$87,672</b>	<b>0.0</b>	<b>\$113,711</b>	<b>0.0</b>	<b>\$26,039</b>	<b>0.0</b>

#### Training Resource Summary – includes all resources (dollars)

Budget Source	FY 2020 Enacted		FY 2021 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$35,000	0.0	\$14,973	0.0	(\$20,027)	0.0
OIG Trust Funds	\$403,768	0.0	\$306,569	0.0	(\$97,199)	0.0
Revolving Fund (Estimated)	\$0	0.0	\$6,276	0.0	\$6,276	0.0
<b>OIG Total (dollars)</b>	<b>\$438,768</b>	<b>0.0</b>	<b>\$327,818</b>	<b>0.0</b>	<b>(\$110,950)</b>	<b>0.0</b>

# Table of Contents

<b>Executive Summary</b> .....	<b>1</b>
FY 2021 Budget Overview .....	1
<b>FY 2020-2021 Agency Priority Goals</b> .....	<b>21</b>
<b>President’s Management Agenda</b> .....	<b>23</b>
<b>Legislative Proposals</b> .....	<b>27</b>
<b>Appropriations Language</b> .....	<b>35</b>
<b>Organizational Framework</b> .....	<b>37</b>
<b>Performance Budget by Strategic Goal</b> .....	<b>45</b>
Additional Mission Activities Aligned to Key Functions .....	53
Additional Mission Support Activities .....	59
Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce .....	61
Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions .....	73
Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs .....	81
Strategic Goal 4: Optimize agency performance .....	85
<b>Earned Benefits Trust Funds</b> .....	<b>95</b>
<b>Revolving Fund Activities</b> .....	<b>107</b>
<b>Other Requirements</b> .....	<b>127</b>
<b>Table of Acronyms</b> .....	<b>129</b>



# Executive Summary

## FY 2021 Budget Overview

Over 40 years ago, the U.S. Office of Personnel Management (OPM) was established to serve as the chief human resources (HR) and personnel policy manager for the Federal Government. The mission of the agency is to lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted, effective civilian workforce. Further, OPM executes, enforces, and administers the laws governing the civil service, including directing HR and employee management services, administers retirement benefits, manages healthcare and insurance programs, and oversees merit-based and inclusive hiring into the civil service.

In June 2018, as part of its overall Government modernization agenda, the Administration released *Delivering Government Solutions in the 21<sup>st</sup> Century: Reform Plan and Reorganization Recommendations*. This plan presents recommendations for structural realignment of the Executive Branch to better serve the mission, service, and stewardship needs of the American people in the 21st Century. To better address Government-wide workforce management issues, the Administration continues to propose a reorganization that would elevate Government-wide workforce policy strategy to the Executive Office of the President, and drive greater effectiveness for HR services via a merger of OPM with the General Services Administration (GSA). The functions of the National Background Investigations Bureau (NBIB) have transitioned to the Department of Defense (DOD).

OPM, as a separate division of GSA, would continue to play a critical role in supporting the people management needs of Government agencies in a manner that would further merit system principles, in conjunction with operative law, to improve the mission, service, and stewardship of every agency.

OPM requests **\$294,931,000** in discretionary resources for FY 2021 to support OPM's executive leadership, administrative operations, and services to the Federal Government, its employees, retirees, and the American people. This FY 2021 budget request includes funding to carry out existing statutory responsibilities, while advancing the goals set forth in the President's Management Agenda (PMA) and OPM's strategic plan.

## OPM Budget FY 2019 through FY 2021 – Discretionary Resources

OPM Budget Authority	FY 2019 Enacted	FY 2020 Enacted	FY 2021 CBJ
<b>Salaries and Expenses Total</b>	<b>\$132,172,000</b>	<b>\$145,130,000</b>	<b>\$147,322,000</b>
Salaries & Expenses	\$118,172,000	\$131,130,000	\$138,511,000
IT Modernization S&E	\$14,000,000	\$14,000,000	\$8,811,000
<b>Trust Fund Total</b>	<b>\$133,483,000</b>	<b>\$154,625,000</b>	<b>\$147,609,000</b>
Trust Fund Annual	\$133,483,000	\$154,625,000	\$147,609,000
<b>Discretionary Appropriation</b>	<b>\$265,655,000</b>	<b>\$299,755,000</b>	<b>\$294,931,000</b>
<b>OIG Discretionary Appropriation *</b>	<b>\$30,265,000</b>	<b>\$30,265,000</b>	<b>\$0</b>
<b>OPM Total</b>	<b>\$295,920,000</b>	<b>\$330,020,000</b>	<b>\$294,931,000</b>

Note: \*The Office of the Inspector General's FY 2021 budget request can be found in the GSA OIG FY 2021 request section of the Congressional Budget Justification.

## President’s Management Agenda (PMA)

The President’s Management Agenda lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. The PMA addresses critical challenges for the Government and focuses on improvements in three areas:

- IT modernization;
- a modern workforce; and
- data transparency and accountability.

Improvements in these areas will be made through transformational Cross-Agency Priority (CAP) goals. OPM supports the PMA and is a co-leader for two of the CAP goals. These two goals are CAP Goal 3, “Developing a Workforce for the 21<sup>st</sup> Century” and CAP Goal 13, “Security Clearance, Suitability, and Credentialing Reform.” OPM contributes to nine other CAP goals.

OPM initiatives that support the PMA include civil service modernization, which aligns to CAP Goal 3 “Developing a Workforce for the 21<sup>st</sup> Century.” These and other OPM contributions to the PMA are more fully detailed in the “President’s Management Agenda” chapter of this submission.

## OPM Strategic Plan

In addition to the PMA priorities, OPM’s strategic plan sets forth four goals: three strategic goals to transform the way OPM delivers on its core mission, and one operational excellence goal to improve agency operations and management. The strategic goals and related objectives are designed to advance OPM’s core mission, contribute to efficiency across Government in the area of human capital management, and more effectively serve job-seekers, employees, beneficiaries, and other Federal agencies. OPM’s goals are as follows:

- Transform hiring, pay, and benefits across the Federal Government to attract and retain the best possible civilian workforce
- Lead the establishment and modernization of human capital information technology and data management systems and solutions
- Improve integration and communication of OPM services to Federal agencies to meet emerging needs
- Optimize agency performance

OPM also performs key functions required by law or Executive Order. These functions fall within three areas: *Human Capital Management Leadership*, which includes policy, service, and oversight; *Benefits*, which includes the policy shaping and the delivery of Federal retirement programs, health benefits, and life insurance for employees and annuitants, and related oversight and adjudicative functions; and *Vetting*, which includes policy, adjudications, and oversight functions related to suitability, and new responsibilities relating to fitness and credentialing.

OPM’s strategic plan supports the PMA and serves as a blueprint for allocating resources, guides leadership decision-making to attain goals and improve outcomes, and communicates its core values to

stakeholders. OPM's divisions, offices, and their employees implement the programs and deliver the services that enable the agency to achieve its mission. By focusing on the areas defined in the strategic plan and aligning resources to these areas, OPM will lead and serve Federal agencies in human capital management.

## **Agency Priorities**

Key priorities funded in OPM's budget request are resources to sustain the retirement program, strengthen our information technology and cybersecurity posture, finance agency operations, and modernize the financial system used to account for and manage Federal Earned Benefits Trust Funds.

## **Federal Retirement Program**

### **Functions and Workload:**

OPM's Retirement Services (RS) is responsible for developing, administering, and providing Federal employees, retirees and their families with benefits programs and services to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.7 million Federal retirees and survivors who receive monthly annuity payments. RS seeks to provide these retirees timely, appropriate, transparent, seamless, and accurate retirement benefits. In FY 2019, OPM disbursed \$82 billion dollars to retirees receiving benefits. Last year, the average CSRS monthly annuity was \$3,939 and the FERS monthly annuity was \$1,576.

### *Claims Adjudication*

RS is responsible for claims adjudication for new retirees. RS receives retirement packages from agency payroll offices, verifies that benefits are properly requested, and calculates the value of those benefits. Additionally, RS determines applicant eligibility for refunds of retirement deductions, authorizes payment of refunds, and collects deposits for service.

### *Post-Adjudication Services*

The scope of RS' duties is much greater than processing new retirement claims. After an annuitant or survivor is placed on the annuity rolls, RS essentially becomes the personnel and payroll office for these annuitants for the rest of their lives, and provides a wide array of important services for these annuitants as well as for their survivors and family members. For example, RS re-determines benefits when agencies submit additional information about an employee's employment history, or when an annuitant re-marries or divorces. RS conducts Federal Employees Health Benefits (FEHB) Open Season activities, and maintains annuitant accounts when customers move or make changes to tax withholdings, health benefits, or life insurance. Further, RS responds to a wide range of benefits-related customer service inquiries, answering approximately 1.7 million calls, 345,000 emails, 150,000 letters, and thousands of other actions requiring personal attention each year.

### *Services to Federal Agencies*

Aside from servicing annuitants, RS' other major functions include providing advice and direction to Federal agencies on retirement issues. RS services all three branches of the Government, including the US

Postal Service and dozens of independent agencies and organizations. This requires RS to provide oversight and communication with these customer agencies and organizations so that they institute standardized practices and submit complete retirement packages to RS. RS provides training for agency personnel and responds to inquiries from agency headquarters Benefits Officers.

### *Legislative Reforms*

Further, RS makes recommendations to the President and Congress for changes to improve the retirement system.

### **Planned Actions:**

Retirement Services' budget is more than 80 percent personnel costs, and 18 percent is required by law or regulation (for example, mail, printing, and Open Season expenses). RS has made progress over the last few years without a significant budget increase. However, the focus on reducing the claims inventory has resulted in lower prioritization of the IT infrastructure as well as other important services.

### *RS IT Modernization Progress*

RS's strategic IT vision is to transition the Retirement Program from paper-based process into a paperless system that will truly honor Federal employees' service by authorizing accurate retirement benefit payments on the day they are due, answering customers' questions in the time and manner they expect, and promoting self-service account maintenance via PC, tablet, or mobile device.

In FY 2019 and FY 2020 (planned), RS invested incrementally in automating and modernizing several integral components of retirement processing, including the creation of an online retirement application that is nearing completion and that will move into proof of concept testing soon; receipt of electronic retirement records from one government payroll provider to the Retirement Data Repository; automated transfer of electronic retirement record data to the retirement calculator (that is, data bridge); and a new retirement calculator (planned for procurement in FY 2020).

These incremental automation improvements highlight the longstanding need for a single case management system. The absence of such a system currently requires RS staff to log into multiple systems and manually transfer information to serve their customers. A case management system would result in all information in one place, improving the efficiency and effectiveness of staff.

### *Call Center Challenges*

One of RS' continuing challenges is the ability to respond to the customer when contacted. The capacity of the call center is insufficient to meet current customer demand. Currently, there are thousands of callers who may receive busy signals each day and do not reach the call queue. Customers are typically satisfied once they are able to reach OPM -- either on the phone or online -- however, the agency acknowledges that customer needs are not currently being met through existing channels.

### **The Future:**

The one known is that RS' customer base is not going to decrease and will likely continue to grow year after year. As more employees work longer and accrue the years of service required to become eligible for Federal retirement benefits, RS' new retiree caseload will increase. Further, as retirees live longer, RS'

post-adjudication workload will increase. OPM continues to see increases in retirements throughout the year and at different times of the year than previously. In FY 2019, the number of new retirees reached 109,991, which was higher than in any of the preceding four years, and represented a 14 percent increase from FY 2017, when the number was 96,459.

It is vital that RS maintain the level of service that is expected by customers.

### **Modernizing the Civil Service and Federal Retirement Benefits**

*OPM Strategic Goal: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce*

OPM aims to modernize the Federal personnel system to better enable agencies to acquire and leverage talent to meet critical mission objectives. OPM has designed legislative and administrative proposals to help meet agency needs for hiring and managing the Federal workforce. In addition, OPM has developed proposals to improve healthcare quality and affordability in the Federal Employees Health Benefits Program, and to modernize Federal employee retirement benefits for the needs of a 21<sup>st</sup> century workforce. OPM is also seeking technical corrections and clarifications to the Federal Employee Paid Leave Act to extend its coverage to all Federal civilian employees and simplify its administration. More information on the legislative proposals for modernizing the Civil Service and Federal retirement benefits is provided in the “Legislative Proposals” chapter of this submission.

### **Stability and Security of Information Technology Infrastructure**

In support of the PMA’s focus to modernize information technology to prioritize improved stability and sustainability in the agency’s IT systems, the Office of the Chief Information Officer (OCIO) has focused on reducing risks and enhancing customer benefits of OPM’s IT systems, applications, and infrastructure through the migration of its systems to strategic data centers or other shared services, which is also consistent with the requirements of OMB Memorandum M-19-19. It is also modernizing the existing computing infrastructure with common security controls, current technology, and modern operations practices. By FY 2021, the OCIO will have disentangled the legacy NBIB systems and data from core OPM systems, and will have redeployed the systems onto modern hardware with fully redundant capabilities (if one system fails, another can automatically take over). OCIO will do this while continuing to support the background investigation mission recently moved from OPM to the Defense Counterintelligence and Security Agency (DCSA), pending DCSA’s assumption of that support. Success in OCIO’s modernization efforts has enhanced security, reduced risks to IT operations, and improved services to internal and external OPM customers. While efforts are underway to increase stability of IT operations, we note that the OPM reform proposal would further enhance sustainability and service delivery excellence of core OPM missions.

In an effort to gain additional insight on the direction of efforts to further stabilize and secure OPM's IT infrastructure, OPM secured third-party consultants to review and analyze the agency's efforts and recommend needed improvements. This OPM-wide IT Assessment netted resource estimates and program recommendations to facilitate needed improvements. Given these recommendations, the FY 2021 budget request for OCIO will prioritize funding to further stabilize and secure OPM's technology infrastructure in light of the transfer of the background investigation function to DOD. This will be accomplished through developing an enhanced enterprise architecture, expanding resource management planning efforts to specifically support OCIO, migrating OPM's mainframes to new, more stable infrastructure while migrating and modernizing legacy applications to the cloud, implementing numerous digital modernization efforts, and building a more modern development security and operations team. Further, by FY2021, opm.gov public-facing pages will be modernized through upgraded hardware, updated software, and broadened accessibility improvements fueled by human-centered design and ongoing section 508 compliance efforts.

### **OPM's Administrative Functions Without NBIB**

Section 925 of the National Defense Authorization Act (NDAA) for Fiscal Year 2018 established that the Secretary of Defense has the authority to conduct all types of background investigations for Department of Defense (DOD) personnel and mandated that, not later than October 1, 2020, the Secretary of Defense shall commence carrying out its implementation plan developed pursuant to section 951(a)(1) of the NDAA for Fiscal Year 2017. In June 2018, the Administration released *Delivering Government Solutions in the 21<sup>st</sup> Century: Reform Plan and Reorganization Recommendations*, which identified its intent to keep the NBIB background investigation mission together, subsequently realigning the entire program from OPM to DOD. Pursuant to Executive Order 13869 and OPM delegations, the responsibility for most background investigations was formally shifted to DOD on October 1, 2019. This budget request reflects the complete shift of NBIB functions to DOD with associated personnel and resources. However, as part of the transition, DOD has entered into Economy Act service agreements to "buy back" services provided by OPM's financial management systems and expertise, including NBIB's existing background investigations systems, hardware and infrastructure, and facilities and procurement support. Although the transfer of NBIB functions removed more than 2,700 employees and more than \$1 billion in revenue, the background investigations program will still rely on OPM infrastructure and administrative services for mission accomplishment throughout FY 2020 and FY 2021. The enclosed budget assumes that the support agreements will also continue through at least FY 2021.

In FY 2021, OPM expects a \$60 million budget shortfall as a result of the transfer of NBIB functions to DOD. To mitigate this shortfall in FY 2021, \$25 million is requested in this budget, and OPM plans to continue interagency agreements with DOD for administrative services to support the background investigations program. Much of the funding gap reflects fixed costs that had previously been shared with NBIB.

OPM's administrative backbone functions, such as finance, information technology, human resources, and procurement, have traditionally been financed by proportionate contributions from all of OPM's funding sources. The NBIB was the largest program within OPM's Revolving Fund and as such, historically the largest contributor to the financing of common services. While one would assume that the

departure of NBIB would precipitate an immediate drop in the size of the common service budget, the nature of the services provided and the continued use of OPM's administrative backbone by DCSA in FY 2020 and FY 2021 makes this unlikely in the immediate future.

Many of OPM's administrative functions have fixed costs and other requirements that do not scale immediately or proportionately with the transfer of NBIB functions to DOD. Certain contracts and interagency agreements have firm fixed prices to which OPM will continue to be bound in spite of the agency's new, smaller size. Additionally, NBIB frequently paid directly for its administrative services separately from its common services financing when it had unique requirements, or when they needed enhanced or dedicated support. OPM's support services to meet its mission is possible over the long term, but it will require maintaining this requested funding level in FY 2021 while the analysis, planning, and strategy is executed. OPM intends to continue to seize opportunities to achieve cost savings, operational efficiencies, and other strategies.

The FY 2021 budget proposes \$73,314,000 for common services in FY 2021. When combined with the \$35,288,000 assumed value of interagency agreements with DOD, this represents a budget of \$108,602,000 for administrative support activities. This total reflects that estimated costs to operate IT networks, financial systems, and HR systems will not change until these systems are replaced, or contractual arrangements (such as those with shared service providers) are renegotiated. It further reflects that many administrative activities do not diminish in the absence of NBIB's workload and staff. Examples of these fixed activities include financial management accounting and reporting, where resource requirements are primarily driven by the number and complexity of accounts, and the IT compliance reporting requirements required by multiple laws.

OPM received \$34.5 million in FY 2020 discretionary appropriations, roughly 11.5 percent of the overall enacted amount, to mitigate the impacts of a common services shortfall in FY 2020. It is important to emphasize this additional funding is not enabling new functions or activities at OPM, but is required to maintain stability for current operations that were previously being funded by NBIB's Revolving Fund contributions to common services. This level of additional funding is not sustainable within OPM's current structure and will not be appropriately geared toward the success of its long-term mission. While OPM supports the administration of background investigations at DCSA throughout FY 2020 via Economy Act service agreements, which the agency anticipates continuing in FY 2021, OPM is also evaluating its current common services methodology to better align available support resources to deliver on its mission. These efforts will help OPM identify the precise amount of resources needed to steward its significant mission of managing a 21<sup>st</sup> Century Federal workforce, while at the same time supporting a transition to becoming a smaller financial, operational, and physical entity without NBIB.

## **Trust Funds Federal Financial System Modernization**

One strategic priority that is vital to meeting the “optimize agency performance” goal and enabling resources to be focused on more high value work is the replacement of the financial system used to manage OPM’s Earned Benefits Trust Funds. The Federal Financial System (FFS), the core centralized accounting system deployed in 1998, supports accounting and financial management activities. This legacy system supports management of the \$1 trillion in combined assets for the retirement, health benefits, and life insurance programs for Federal employees, with over 8 million participants in the Federal Employees Health Benefits Program and more than 2.7 million monthly annuitant payments. Because of the outdated systems, OPM implemented additional manual processes to meet the business needs for Trust Funds management. The combination of legacy systems and manual processes has resulted in the use of highly specialized, scarce resources to maintain ongoing operations. To address these challenges, the FFS-R Project within the Trust Funds Modernization (TFM) Program, is working to modernize the current FFS platform and associated business processes. This will enable OPM to streamline agency investment accounting, transaction processing, debt collection, and financial reporting for Trust Funds.

In FY 2018, OPM conducted a Trust Funds Operations assessment which resulted in a future state that encompasses a modernized solution, optimizes business capabilities, and recommends an incremental delivery strategy. Subsequently in FY 2019, OPM engaged the Department of the Treasury’s Bureau of the Fiscal Service, Administrative Resource Center (ARC) as the federal financial management solution provider. This partnership with ARC aligns with OMB Memoranda M-19-16, M-16-11, and M-17-22. In FY 2019, development activities required to streamline cash management automation (Treasury Online Bill Pay (OLBP) services) for Trust Funds business processes were also initiated. In FY 2019, OPM also conducted a pilot to automate the semi-annual earned benefit program enrollment data collection with 53 Federal payroll offices.

In FY 2020 and FY 2021, OPM plans to continue to partner with Treasury ARC on the development and configuration activities associated with core financial management functionality and investment management functionality, which will be operational in FY 2022. OPM will complete the automated collection of seven payment streams using the Treasury OLBP service and leverage its Centralized Receivables Services to streamline the agency’s trust fund receivables collections processes.

Future development includes replacing the SF-2812 system used to record the amounts and details of withholdings and contributions that OPM receives from Federal payroll offices for health benefits, life insurance, and retirement. The SF-2812 system information is essential for recording transactions between the Government and its health insurance carriers. OPM will also develop and deploy enhanced reporting and analytics functionality. All TFM project components should be complete and operational in FY 2023.

Looking ahead, the outcomes of this multi-year endeavor will significantly reduce manual business processes, reduce errors, strengthen internal controls, and improve overall customer service to the American people.

## FY 2021 Budget Request by Fund

OPM estimates that its total operating budget in FY 2021 will be **\$1,460,313,235**. OPM is funded by a variety of sources. One of its largest sources is the Revolving Fund, which was created by statute and is comprised of fees and reimbursements provided by agencies for various required activities and other services OPM provides. Revolving Fund activity reflected below includes human resources services, the policy, adjudicative, and oversight work of the Suitability Executive Agent, credit monitoring services resulting from prior cybersecurity incidents involving OPM systems, and the administration of tools and technologies used to carry out such services, or statutory requirements, such as the posting requirement effectuated through USAJOBS.

### OPM Budget by Fund FY 2019 through FY 2021

OPM Budget Authority	FY 2019 Enacted	FY 2020 Enacted	FY 2021 CBJ
<b>Discretionary Appropriation</b>	<b>\$265,655,000</b>	<b>\$299,755,000</b>	<b>\$294,931,000</b>
<b>Salaries and Expenses Total</b>	<b>\$132,172,000</b>	<b>\$145,130,000</b>	<b>\$147,322,000</b>
Salaries & Expenses	\$118,172,000	\$131,130,000	\$138,511,000
IT Modernization S&E	\$14,000,000	\$14,000,000	\$8,811,000
<b>Trust Fund Annual Total</b>	<b>\$133,483,000</b>	<b>\$154,625,000</b>	<b>\$147,609,000</b>
<b>Mandatory Administrative Authorities</b>	<b>\$59,186,687</b>	<b>\$66,956,125</b>	<b>\$68,695,358</b>
<b>Trust Fund Mandatory Authority</b>	<b>\$59,186,687</b>	<b>\$66,956,125</b>	<b>\$68,695,358</b>
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$49,179,612	\$56,471,571	\$57,672,505
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$5,989,086	\$7,226,455	\$8,501,704
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$1,977,626	\$1,036,367	\$1,082,185
FERCCA (P.L. 106-265) - Retirement	\$2,040,363	\$2,221,732	\$1,438,964
<b>Revolving Fund</b>	<b>\$1,692,776,887</b>	<b>\$857,237,726</b>	<b>\$928,728,045</b>
<b>Advance and Reimbursements</b>	<b>\$10,195,343</b>	<b>\$169,255,203</b>	<b>\$167,958,832</b>
<b>OIG Discretionary Appropriation</b>	<b>\$30,265,000</b>	<b>\$30,265,000</b>	<b>\$0</b>
Salaries & Expenses - OIG	\$5,000,000	\$5,000,000	\$0
Trust Fund Annual - OIG	\$25,265,000	\$25,265,000	\$0
<b>OPM Total</b>	<b>\$2,058,078,917</b>	<b>\$1,423,469,054</b>	<b>\$1,460,313,235</b>

OPM's discretionary request consists of an appropriation for OPM's program and leadership activities, and a limitation on transfers from the Earned Benefits Trust Funds under OPM management. OPM's FY 2021 discretionary request for is **\$294,931,000**.

OPM also manages the mandatory appropriations that provide for the transfer of resources from the Government's general fund to the Earned Benefits Trust Funds for Federal employees and annuitants' benefits. The Trust Funds and the associated mandatory appropriations are discussed in more detail in the Earned Benefit Trust Funds section of this budget. Each OPM fund is described below.

#### Salaries and Expenses

OPM requests **\$147,322,000** in Salaries and Expenses (S&E) funds for personnel and non-personnel resources, which includes **\$8,811,000** of No-Year funds for IT Modernization. The IT Modernization

efforts will be focused on continuing the Trust Fund Modernization initiated in FY 2017. The S&E appropriation funds the agency's various program offices as they implement OPM's strategic plan and perform OPM's core statutory roles, including providing direction and oversight to other Federal agencies.

### **Trust Fund Transfers**

For the administration of the civil service retirement and insurance programs, OPM requests **\$147,609,000** in administrative transfers from the Earned Benefits Trust Funds. OPM is responsible for managing the Federal Government's health benefits and life insurance programs under the Federal Employees Health Benefits (FEHB) Program and the Federal Employees' Group Life Insurance (FEGLI) Program. In addition, OPM administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), which are financed by the Civil Service Retirement and Disability Fund (CSRDF). The administrative Trust Fund transfers partially fund Retirement Services (RS), Healthcare and Insurance (HI), Office of the Chief Information Officer (OCIO), and Office of the Chief Financial Officer (OCFO) operations.

These transfers are described as Trust Fund Annual in this request and come from the following Trust Funds subject to Congressional limitation:

- Civil Service Retirement and Disability Fund (CSRDF);
- Federal Employees Health Benefits Fund (FEHBF); and
- Federal Employees' Group Life Insurance Fund (FEGLI).

### **Mandatory Administrative Authorities**

Several provisions under Title 5 of the United States Code (U.S.C.) and the Federal Erroneous Retirement Coverage Corrections Act (FERCCA) authorize OPM to administer specific retirement program and insurance activities, and to transfer funds for the administrative cost of these activities from the Trust Funds. These authorities provide additional administrative transfers from the Trust Funds. Per 5 U.S.C. §8348 (a)(1)(B), OPM incurs expenses from Civil Service Retirement and Disability Fund (CSRDF) for the following activities:

- Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);
- Making discretionary allotments and assignments and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request; and
- Withholding taxes pursuant to section 3405 of Title 26 or section 8345(k) or 8469 of this Title.

Within the CSRDF, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, Title II, Sept. 19, 2000, 114 Stat. 762). OPM may incur expenses to administer the Federal Long Term Care Insurance Program (FLTCIP) from Federal Employees' Group Life Insurance FEGLI (Id. at Title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within FEHBP, OPM may defray reasonable expenses to administer the Federal Employees Dental and Vision Insurance Program (FEDVIP) (5 U.S.C. §8958 (f)(2)(A) and §8988 (f)(2)(A)). Resources used to administer the

FLTCIP and FEDVIP are reimbursed to the FLTCIP and FEDVIP funds by the participating insurance carriers.

## Revolving Fund Activities

Business Line		FY 2020 Revised Estimate	FY 2021 Estimate	Increase Decrease
Suitability Executive Agent	Revenue	\$8,342,000	\$9,833,981	\$1,491,981
	Obligations	\$8,342,000	\$9,833,981	\$1,491,981
Human Resources Solutions**	Revenue	\$494,145,000	\$705,182,941	\$211,037,941
	Obligations	\$495,516,726	\$710,906,913	\$215,390,187
Enterprise Human Resources Integration	Revenue	\$42,624,000	\$42,940,000	\$316,000
	Obligations	\$40,983,000	\$36,696,589	(\$4,286,411)
HR Line of Business	Revenue	\$3,150,000	\$3,150,000	\$0
	Obligations	\$3,150,000	\$3,150,000	\$0
Human Resources Tools & Technology	Revenue	\$63,258,000	\$77,550,000	\$14,292,000
	Obligations	\$66,141,000	\$83,140,562	\$16,999,562
Credit Monitoring	Revenue	\$85,105,000	\$85,149,094	\$44,094
	Obligations	\$85,105,000	\$85,000,000	(\$105,000)
National Background Investigations Bureau	Revenue	\$158,000,000	\$0	(\$158,000,000)
	Obligations	\$158,000,000	\$0	(\$158,000,000)
<b>Total Revenue</b>		<b>\$854,624,000</b>	<b>\$923,806,016</b>	<b>\$69,182,016</b>
<b>Total Obligations*</b>		<b>\$857,237,726</b>	<b>\$928,728,045</b>	<b>\$71,490,319</b>

### Notes:

\* When obligations exceed revenue, it is because business lines use unobligated balances from prior years (i.e., carryover).

\*\* HRS revised its FY 2020 budget estimates by \$264 million due to anticipated increase in business from DOD for USA Learning (Training Program). This upward trend is expected to continue in FY 2021. See the Revolving Fund section for additional details.

\*\*\* NBIB functions transitioned to DOD in FY 2020; however, NBIB's revenue and obligations amounts reflected in the Revolving Fund activities table reflect residual resources to handle cases related to the data breach, legacy tort claims, upward and downward adjustments for legacy case work, and agreements to administer the Presidential Rank Awards program.

OPM requests authority in FY 2021 to incur **\$928,728,045** of obligations in our Revolving Fund. OPM's Revolving Fund was established by the Congress as a means of financing those activities that OPM is required or authorized to perform on a reimbursable basis (such as OPM's obligation to oversee the governmentwide suitability, fitness, and credentialing programs and itself assess the suitability of applicants for the service when certain issues arise), and allows OPM to provide personnel management services to other Federal agencies via several well-established programs. Federal agencies pay OPM based on customer transactions, orders, fixed fees, or proportional contribution to cost. Broadly classified into four groups -- the Office of the Suitability Executive Agent (SuitEA), Human Resources Solutions (HRS), Enterprise Human Resources Integration (EHRI), and Credit Monitoring Services (CMS) -- these activities are performed by Federal staff and contractors qualified for the service throughout several OPM organizations.

## FY 2020 & FY 2021 Comparison of FTE — All Resources

OPM Budget Authority	FY 2020 Enacted	FY 2021 CBJ
<b>Salaries and Expenses</b>	<b>726.8</b>	<b>656.4</b>
<b>Trust Fund Annual</b>	<b>763.5</b>	<b>739.6</b>
<b>Trust Fund Mandatory Authority</b>	<b>489.0</b>	<b>448.2</b>
5 U.S.C. § 8348 (a)(1)(B) - Retirement	456.0	416.1
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	15.0	17.3
5 U.S.C. § 9004(f)(B) - Long-Term Care	6.0	4.8
FERCCA (P.L. 106-265) - Retirement	12.0	10.0
<b>Revolving Fund</b>	<b>648.0</b>	<b>704.0</b>
<b>Advances &amp; Reimbursements</b>	<b>132.0</b>	<b>138.6</b>
<b>OIG Discretionary Total</b>	<b>154.0</b>	<b>0.0</b>
Salaries & Expenses - OIG	20.0	0.0
Trust Fund Annual - OIG	134.0	0.0
<b>OPM Total</b>	<b>2,913.3</b>	<b>2,686.9</b>

OPM's FY 2021 budget will support approximately 2,687 full-time-equivalents (FTEs). Of this total, the discretionary appropriation and Mandatory Trust Fund transfers will fund 1,844 FTEs (the sum of the Salaries and Expenses, Trust Fund Limitations, and Mandatory Trust Fund Authority totals). These employees deliver OPM's Government-wide responsibilities relating to human capital management leadership, benefits, and additional mission and mission support activities. The agency's remaining allocation of 843 FTEs are funded by the Revolving Fund and Advances and Reimbursements. The FY 2021 FTE level is 226 FTEs lower than the FY 2020 CBJ level. This is mainly attributable to two drivers: the growth in costs of financing agency personnel due to increased normal costs and pay raises, and the reporting of OIG funding and FTE with GSA's Inspector General request in FY 2021.

## FY 2020 FTE by Organization and Fund — All Resources

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Chief Human Capital Officer Council	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Congressional, Legislative and Intergovernmental Affairs	12.7	0.0	0.0	0.0	0.0	0.0	0.0	12.7
Employee Services	178.0	0.0	0.0	0.0	0.0	0.0	0.0	178.0
Equal Employment Opportunity	0.0	0.0	0.0	0.0	6.8	0.0	0.0	6.8
Facilities, Security & Emergency Management	3.0	0.0	0.0	0.0	62.9	2.5	0.0	68.4
Federal Prevailing Rate Advisory Committee	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Healthcare & Insurance	5.9	0.0	134.8	22.0	0.0	0.0	0.0	162.7

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
HR Solutions	0.0	0.0	0.0	0.0	0.0	0.0	465.0	465.0
Merit System Accountability & Compliance	81.9	0.0	0.0	0.0	7.8	6.0	0.0	95.7
Office of Communications	10.7	0.0	0.0	0.0	0.0	0.0	0.0	10.7
Office of Procurement Operations	3.9	0.0	0.0	0.0	19.3	9.0	0.0	32.2
Office of Small and Disadvantaged Business Utilization	0.0	0.0	0.0	0.0	2.0	0.0	0.0	2.0
Office of Strategy and Innovation	30.3	0.0	0.0	0.0	0.0	0.0	0.0	30.3
Office of the Chief Financial Officer	0.0	6.4	38.8	0.0	63.3	9.6	3.0	121.2
Office of the Chief Information Officer	37.0	0.0	28.3	4.0	64.5	90.9	124.0	348.7
Office of the Director	31.3	0.0	0.0	0.0	0.0	0.0	0.0	31.3
Office of the General Counsel	0.0	0.0	0.0	0.0	33.2	0.0	0.0	33.2
Office of Privacy and Information Management	2.9	0.0	0.0	0.0	15.6	0.0	0.0	18.6
OPM Human Resources	0.0	0.0	0.0	0.0	41.5	0.0	0.0	41.5
Retirement Services	0.0	0.0	561.6	463.0	0.0	0.0	0.0	1,024.6
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	0.0	13.0	0.0	13.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0
White House Fellows	4.9	0.0	0.0	0.0	0.0	0.0	0.0	4.9
Office of the Inspector General	20.0	0.0	134.0	0.0	0.0	0.0	0.0	154.0
<b>OPM Total</b>	<b>423.3</b>	<b>6.4</b>	<b>897.5</b>	<b>489.0</b>	<b>317.1</b>	<b>132.0</b>	<b>648.0</b>	<b>2,913.3</b>

### FY 2021 FTE by Organization and Fund — All Resources

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Chief Human Capital Officer Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Congressional, Legislative and Intergovernmental Affairs	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Employee Services	167.1	0.0	0.0	0.0	0.0	0.0	0.0	167.1
Equal Employment Opportunity	0.0	0.0	0.0	0.0	6.0	0.0	0.0	6.0

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Facilities, Security & Emergency Management	0.0	0.0	0.0	0.0	58.5	15.7	0.0	74.3
Federal Prevailing Rate Advisory Committee	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Healthcare & Insurance	0.0	0.0	143.3	23.7	0.0	0.8	0.0	167.8
HR Solutions	0.0	0.0	0.0	0.0	0.0	0.0	469.0	469.0
Merit System Accountability & Compliance	84.8	0.0	0.0	0.0	0.0	2.3	0.0	87.0
Office of Communications	11.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0
Office of Procurement Operations	5.3	0.0	0.0	0.0	18.1	8.3	0.0	31.7
Office of Small and Disadvantaged Business Utilization	0.0	0.0	0.0	0.0	1.8	0.0	0.0	1.8
Office of Strategy and Innovation	27.0	0.0	0.0	0.0	0.0	0.0	0.0	27.0
Office of the Chief Financial Officer	0.0	6.7	40.4	0.0	56.0	8.9	3.0	115.0
Office of the Chief Information Officer	19.0	0.0	31.0	2.0	63.8	91.6	176.0	383.4
Office of the Director	26.0	0.0	0.0	0.0	5.0	0.0	0.0	31.0
Office of the General Counsel	0.0	0.0	0.0	0.0	31.0	0.0	0.0	31.0
Office of Privacy and Information Management	3.0	0.0	0.0	0.0	13.0	0.0	0.0	16.0
OPM Human Resources	0.0	0.0	0.0	0.0	35.5	0.0	0.0	35.5
Retirement Services	0.0	0.0	524.9	422.5	0.0	0.0	0.0	947.4
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	0.0	11.0	0.0	11.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0
White House Fellows	5.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
Office of the Inspector General	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>OPM Total</b>	<b>361.1</b>	<b>6.7</b>	<b>739.6</b>	<b>448.2</b>	<b>288.6</b>	<b>138.6</b>	<b>704.0</b>	<b>2,686.9</b>

## FY 2021 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to utilize our resources.

### Discretionary Appropriation Budget by Object Class

Object Class	FY 2020 Enacted	FY 2021 CBJ	Increase/Decrease
Personnel Compensation	\$137,641,142	\$132,041,743	(\$5,599,399)
Personnel Benefits	\$47,230,316	\$44,492,334	(\$2,737,982)
Travel and transportation of person	\$1,495,909	\$950,705	(\$545,204)
Transportation of things	\$65,025	\$67,968	\$2,943
Communications, utilities and rent	\$30,765,274	\$44,021,610	\$13,256,336
Printing and Reproduction	\$1,127,668	\$750,204	(\$377,464)
Other Services	\$78,923,653	\$68,423,003	(\$10,500,650)
Supplies and Materials	\$1,143,166	\$587,963	(\$555,203)
Equipment	\$1,362,847	\$3,595,470	\$2,232,623
<b>Total Object Class</b>	<b>\$299,755,000</b>	<b>\$294,931,000</b>	<b>(\$4,824,000)</b>
<b>FTE</b>	<b>1,490.3</b>	<b>1,396.1</b>	<b>(94.3)</b>

### Salaries and Expenses Budget by Object Class

Object Class	FY 2020 Enacted	FY 2021 CBJ	Increase/Decrease
Personnel Compensation	\$59,215,057	\$56,186,694	(\$3,028,363)
Personnel Benefits	\$20,031,471	\$18,024,076	(\$2,007,395)
Travel and transportation of person	\$806,548	\$381,943	(\$424,605)
Transportation of things	\$2,614	\$4,222	\$1,608
Communications, utilities and rent	\$13,654,900	\$25,989,106	\$12,334,206
Printing and Reproduction	\$559,946	\$202,467	(\$357,479)
Other Services	\$50,193,249	\$44,436,716	(\$5,756,533)
Supplies and Materials	\$299,341	\$173,616	(\$125,725)
Equipment	\$366,874	\$1,923,160	\$1,556,286
<b>Total Object Class</b>	<b>\$145,130,000</b>	<b>\$147,322,000</b>	<b>\$2,192,000</b>
<b>FTE</b>	<b>726.8</b>	<b>656.4</b>	<b>(70.4)</b>

## Trust Fund Limitations – Budget by Object Class

Object Class	FY 2020 Enacted	FY 2021 CBJ	Increase/Decrease
Personnel Compensation	\$78,426,085	\$75,855,049	(\$2,571,036)
Personnel Benefits	\$27,198,845	\$26,468,258	(\$730,587)
Travel and transportation of person	\$689,361	\$568,762	(\$120,599)
Transportation of things	\$62,411	\$63,746	\$1,335
Communications, utilities and rent	\$17,110,374	\$18,032,504	\$922,130
Printing and Reproduction	\$567,722	\$547,737	(\$19,985)
Other Services	\$28,730,404	\$23,986,287	(\$4,744,117)
Supplies and Materials	\$843,825	\$414,347	(\$429,478)
Equipment	\$995,973	\$1,672,310	\$676,337
<b>Total Object Class</b>	<b>\$154,625,000</b>	<b>\$147,609,000</b>	<b>(\$7,016,000)</b>
<b>FTE</b>	<b>763.5</b>	<b>739.6</b>	<b>(23.9)</b>

OPM's FY 2021 discretionary budget decreased by approximately \$5 million from FY 2020's enacted budget, with an increase of \$2 million in Salaries and Expenses (S&E) and a decrease of about \$7 million in Trust Fund Limitation.

The FY 2021 S&E increase of \$2 million above is mostly attributable to the following funding changes:

- A \$5 million decrease in 'Personnel Compensation' and 'Benefits' attributable to a \$3 million reduction in OCIO due to the elimination of vacant positions, a \$3 million decrease in S&E resources used to finance administrative support activities across OPM, offset by a \$1 million increase in awards funding based on the FY 2021 OMB Circular A-11 Guidance;
- A \$12 million increase in 'Communications, utilities and rent' attributable to a \$7 million increase for OCIO's upgrades to communications software and security systems support in order to continue to improve the security of OPM's IT systems, and a \$5 million increase in rent to cover an increase of \$2 million in shell rent due to the revocation of OPM's delegation of authority from GSA and a \$3 million increase in indirect rent costs for space occupied by staff that provide administrative support activities as well as common areas at OPM's headquarters building (TRB). This indirect rent formally was funded by NBIB;
- A \$6 million decrease in 'Other services' due to a \$2 million reduction in OCFO for Financial System support, the removal of \$2 million in one-time funding for FSEM to reconfigure and improve space efficiencies post transition and a \$2 million reduction in Rent/CFI for one-time costs to fund the NAPA study mandated by Congress as part of the NDAA for FY 2020;
- A \$1 million increase in 'Equipment' attributable to CIO laptop purchases required to regularly replenish laptops that have reached their end-of-life.

The FY 2021 Trust Fund Limitation fund request for basic operating expenses totals \$147,609,000 which is approximately \$7 million less than the FY 2020 enacted level of \$154,625,000. The \$7 million decrease is attributable to the reduction of Trust Fund Limitation resources used to finance administrative support activities across OPM. This reduction impacts all object classes; however, the most significant impact is in the financing of personnel compensation.

## OPM Budget FY 2020 Enacted & FY 2021 CBJ by Organization and Fund - Discretionary Resources

Organization	FY 2020 Enacted				FY 2021 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Office of the Chief Information Officer	\$36,300,000	\$8,272,000	\$21,525,782	<b>\$66,097,782</b>	\$41,673,000	\$8,418,000	\$21,788,000	<b>\$71,879,000</b>
Congressional, Legislative and Intergovernmental Affairs	\$1,969,000	\$0	\$0	<b>\$1,969,000</b>	\$1,928,000	\$0	\$0	<b>\$1,928,000</b>
Employee Services	\$29,841,000	\$0	\$0	<b>\$29,841,000</b>	\$30,761,800	\$0	\$0	<b>\$30,761,800</b>
Equal Employment Opportunity	\$0	\$0	\$1,026,000	<b>\$1,026,000</b>	\$0	\$0	\$1,055,000	<b>\$1,055,000</b>
Facilities, Security & Emergency Management	\$2,500,000	\$0	\$11,078,243	<b>\$13,578,243</b>	\$0	\$0	\$10,743,000	<b>\$10,743,000</b>
Federal Prevailing Rate Advisory Committee	\$167,000	\$0	\$0	<b>\$167,000</b>	\$176,000	\$0	\$0	<b>\$176,000</b>
Healthcare & Insurance	\$955,000	\$29,362,000	\$0	<b>\$30,317,000</b>	\$0	\$28,043,000	\$0	<b>\$28,043,000</b>
HR Solutions	\$0	\$0	\$0	<b>\$0</b>	\$0	\$0	\$0	<b>\$0</b>
Merit System Accountability & Compliance	\$12,781,000	\$0	\$1,200,000	<b>\$13,981,000</b>	\$13,193,000	\$0	\$0	<b>\$13,193,000</b>
Office of Communications	\$1,769,000	\$0	\$0	<b>\$1,769,000</b>	\$2,225,000	\$0	\$0	<b>\$2,225,000</b>
Office of Procurement Operations	\$1,068,000	\$0	\$3,231,000	<b>\$4,299,000</b>	\$1,048,000	\$0	\$3,143,000	<b>\$4,191,000</b>
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$431,000	<b>\$431,000</b>	\$0	\$0	\$423,000	<b>\$423,000</b>
Office of the Chief Financial Officer	\$11,425,000	\$8,370,000	\$16,681,215	<b>\$36,476,215</b>	\$9,591,000	\$8,336,000	\$16,135,000	<b>\$34,062,000</b>
Office of the Director	\$5,327,692	\$0	\$0	<b>\$5,327,692</b>	\$4,946,700	\$0	\$871,000	<b>\$5,817,700</b>
Office of the General Counsel	\$0	\$0	\$6,179,000	<b>\$6,179,000</b>	\$0	\$0	\$6,220,000	<b>\$6,220,000</b>
Rent/Centrally Funded Items	\$12,118,555	\$12,786,000	\$0	<b>\$24,904,555</b>	\$14,996,000	\$13,145,000	\$0	<b>\$28,141,000</b>
Retirement Services	\$0	\$59,748,000	\$0	<b>\$59,748,000</b>	\$0	\$61,362,000	\$0	<b>\$61,362,000</b>
Security, Suitability and Credentialing Line of Business	\$500,000	\$0	\$0	<b>\$500,000</b>	\$508,000	\$0	\$0	<b>\$508,000</b>
White House Fellows	\$808,000	\$0	\$0	<b>\$808,000</b>	\$786,000	\$0	\$0	<b>\$786,000</b>

Organization	FY 2020 Enacted				FY 2021 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Office of Strategy and Innovation	\$5,643,188	\$0	\$0	\$5,643,188	\$5,763,500	\$0	\$0	\$5,763,500
Office of Privacy and Information Management	\$572,565	\$0	\$4,664,556	\$5,237,121	\$591,000	\$0	\$4,844,000	\$5,435,000
OPM Human Resources	\$0	\$0	\$7,608,000	\$7,608,000	\$0	\$0	\$8,092,000	\$8,092,000
<b>OPM Sub Total</b>	<b>\$123,745,000</b>	<b>\$118,538,000</b>	<b>\$73,624,796</b>	<b>\$315,907,796</b>	<b>\$128,187,000</b>	<b>\$119,304,000</b>	<b>\$73,314,000</b>	<b>\$320,805,000</b>
Appropriated Contribution to Common Services	\$21,385,000	\$36,087,000			\$19,135,000	\$28,305,000		
Non-Appropriated Contribution to Common Services								
				<b>(\$16,152,796)</b>				<b>(\$25,874,000)</b>
	<b>\$145,130,000</b>	<b>\$154,625,000</b>	<b>\$73,624,796</b>	<b>\$299,755,000</b>	<b>\$147,322,000</b>	<b>\$147,609,000</b>	<b>\$73,314,000</b>	<b>\$294,931,000</b>

The budgets for several programs in the table above have changed in FY 2021 due to planned organizational consolidations.

OPM’s Internal Oversight and Compliance (IOC) group, previously under Merit System Accountability and Compliance (MSAC) will be transferred to OPM’s Office of the Director. IOC staff serve as liaisons between OPM program offices and oversight groups such as the OIG and GAO, and help to coordinate audit activities to resolve recommendations. Specifically, IOC staff schedule entrance conferences and audit meetings, track responses to audits to keep them timely and consistent with operative law, and work with the program offices to address findings, plan corrective actions, collect data, and present evidence that lead to the closure of recommendations. Merging IOC with the OD Executive Secretariat function will streamline the audit response approval process. Executive Secretariat staff already coordinate senior leadership clearances for the majority of reports, memos, and other correspondence for the agency, and can assist IOC with administrative tasks so that IOC staff can focus on other auditing functions. As a result of this merger, the Office of the Director will gain common service funding, but not backfill vacancies in the merged functions, which result in an estimated overall saving of approximately \$400,000. MSAC will not receive any Common Services funding for IOC in FY 2021.

Further, OPM established the Office of Privacy and Information Management (OPIM), realigning a number of personnel and functions from the OCIO and the Office of the Director, to include, among other functions, privacy, records management, Freedom of Information Act management, and forms management. By creating a separate OPIM office, the agency is better positioned to establish and implement clear, repeatable policies and procedures across all of OPIM’s complementary functional areas (privacy, Freedom of Information Act management, records management, Section 508 accessibility, forms management/Paperwork Reduction Act, and controlled unclassified information) and call attention to the significance of these areas in the agency’s day-to-day business operations. As a result of the realignment, 16 FTE and \$5.4 million in personnel costs and other expenses such as travel and training that were formerly aligned to CIO are now allotted to OPIM.

## FY 2021 Budget Request by Strategic Goals

OPM’s FY 2018-2022 strategic plan includes four key goals that are focused on improving OPM systems and processes, which enable the agency to provide more efficient and effective services to its customers. As required by the Government Performance and Results Modernization Act of 2010 (P.L. 111-352), OPM’s budget request maps to its strategic plan.

OPM’s FY 2021 performance budget reflects how the agency will fulfill its mission to *Lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted, effective civilian workforce*. The agency’s vision is *Empowering Excellence in Government through Great People*.

The Performance Budget by Strategic Goal section of this document describes each strategic goal and the resources budgeted for each objective in FY 2021. The following table displays OPM’s planned resource allocation against each strategic goal, excluding Revolving Fund program activities.

### OPM Budget FY 2021 by Strategic Goal—Discretionary Resources

STRATEGIC_GOAL	FY 2021 CBJ	
	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$37,189,166	193.1
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$4,098,702	20.4
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$15,245,292	92.7
Optimize Agency Performance	\$103,168,472	635.8
Additional Mission and Mission Support Activities	\$161,103,368	454.1
	<b>\$320,805,000</b>	<b>1,396.1</b>
Non-Appropriated Contribution to Common Services	<b>(\$25,874,000)</b>	
<b>OPM Total</b>	<b>\$294,931,000</b>	<b>1,396.1</b>



# FY 2020-2021 Agency Priority Goals

Agency Priority Goals (APGs) reflect the top performance improvement priorities of agency leadership and the Administration. APGs reflect measurable results that leadership wants to accomplish over a two-year period, advancing progress toward longer-term strategic goals and objectives in the agency's strategic plan.

For the FY 2020-2021 cycle, OPM developed APGs in two areas where agency leadership will drive progress:

1. **Enable agencies to effectively address current and projected workforce needs to meet mission objectives.** By September 30, 2021, OPM will provide agencies with at least 48 significant tools, flexibilities, and authorities needed to advance their human capital objectives including mitigating skill gaps in 80 percent of identified high risk mission critical occupations, compared to a 2017 baseline.

Significant tools, flexibilities, and authorities will include regulations, policy guidance, flexibilities (in areas such as hiring and pay), and electronic or other tools.

2. **Establish an FEHB Master Enrollment Index.** By September 30, 2021, OPM will establish a Master Enrollment Index for the FEHB Program that includes at least 90 percent of FEHB subscribers and family members. The Master Enrollment Index will consist of a Master Person Index that includes FEHB subscribers and family members and a Master Enrollment File that includes FEHB enrollment transactions.

The Federal Government uses a three-pronged approach to manage APGs: 1) public goal setting, 2) data-driven performance review meetings with agency leadership no less than quarterly, and 3) quarterly public updates on Performance.gov. For additional information on APGs, please refer to [www.Performance.gov](http://www.Performance.gov).



# President's Management Agenda

## Contributions to Cross-Agency Priority Goals

OPM supports the President's Management Agenda and is the co-leader for Cross-Agency Priority (CAP) Goal 3: Developing a Workforce for the 21st Century, and CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform. Further, OPM contributes to nine other CAP goals.

Per the GPRA Modernization Act requirement to address CAP goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to [www.Performance.gov](http://www.Performance.gov) for the agency's contributions to these goals and progress where applicable.

### CAP Goal 3: Developing a Workforce for the 21st Century

OPM is a co-leader for CAP Goal 3: Developing a Workforce for the 21st Century. OPM is leading efforts to modernize the Federal civil service by:

- improving employee performance management and engagement;
- reskilling and redeploying human capital resources; and
- enabling efficient and strategic hiring practices.

During FY 2019, the second year of the President's Management Agenda, the Workforce CAP goal milestones were injected with new momentum with the addition of seven Lighthouse Projects. These projects are designed to lead the way to Federal enterprise-wide progress through research to make decisions informed by data, pilots to strategically test concepts within current legal boundaries, and regulatory and legislative proposals to rapidly scale up solutions that work, with full implementation of the efforts expected during FY 2021.

OPM's work to improve employee performance management and engagement focuses on efforts to transform agency culture through targeted approaches to support Federal supervisors, bolster employee engagement, accelerate high performance, and support employee retention to increase mission delivery and service to the American taxpayer. In a manner consistent with Federal law, performance management solutions in which managers provide real-time feedback to employees will be reviewed and tested to assess the value of a proactive approach to performance management. Through a total reward study, OPM is also evaluating options available under current Federal law to strengthen the link between pay and performance and reward high-performing employees and those with mission critical skillsets. The findings are expected to be integrated into policy and guidance during FY 2021.

As Federal agencies identify opportunities to increase efficiency by adopting automation, OPM supports their efforts by identifying emerging and mission critical skills, as well as career path options, and investing in opportunities to develop these skillsets in the Federal workforce with opportunities such as the Cybersecurity Reskilling Academy, so employees can be reskilled and redeployed to other work.

Through the simple and strategic hiring sub-goal, OPM is testing approaches to make it easier and faster to recruit and hire top talent and considering the viability and advisability of legislative and regulatory changes that might expand hiring and pay authorities and flexibilities. OPM is on track to conclude and

apply the findings, during FY 2021, of a hiring pilot to use subject-matter experts during applicant assessments to improve agencies' abilities to establish whether applicants are qualified up front, and better differentiate candidates' relative levels of knowledge, skills, and abilities. This pilot also implemented some of the recommendations that appeared in OPM's updated Delegated Examining Operations Handbook. The development of Human Capital Robotic Process Automation in FY 2021 will test the use of technology to conduct routine recruitment and staffing processes in order to expand the capacity of the HR workforce to serve managers and applicants.

Supporting these efforts is a continuous learning approach to identify, share, and scale-up promising ideas across the Federal workforce. OPM's ongoing research agenda will continue research with Federal agencies and other partners through strategic foresight, demonstration projects, and pilots to gather data on current and emerging needs. Innovative ideas and solutions on employee engagement, performance, reskilling, hiring and retention will be distributed rapidly to Federal leaders and managers.

### **CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform**

OPM is also a co-leader of the CAP Goal on Security Clearance, Suitability, and Credentialing Reform. The agency will continue to direct resources to this goal in FY 2021 to continue mitigating risks posed by personnel with access to Government facilities, systems, and other personnel. To achieve this objective, OPM and the Office of the Director of National Intelligence, the two Executive Agents, will work in consultation with the Performance Accountability Council (PAC) to achieve the following:

- develop aligned and consistent policy for reporting potential security risks or observable behaviors of concern;
- establish an agile, data-driven, and transparent policy-making process that simplifies traditional policy development processes, as appropriate;
- review current end-to-end Security Clearance, Suitability, and Credentialing processes and identify the most cost-effective and efficient methods to vet the Federal workforce, in accordance with applicable law;
- as appropriate and consistent with applicable law, modernize the lifecycle through the use of agency federated systems and shared services; and
- as appropriate and consistent with applicable law, expand the use of outcome-based performance measures.

The Performance Accountability Council's Program Management Office (PAC PMO) is administratively housed at OPM. The PAC PMO supports the PAC and the Security, Suitability, and Credentialing Line of Business (SSCLoB), more broadly, in driving Government-wide implementation of these goals, and identifying recommended solutions to further safeguard personnel and protect the nation's most sensitive information.

## Other CAP Goals

OPM also contributes to the following CAP goals:

**CAP Goal 1: Modernize IT and Increase Productivity and Security.** OPM continues to lead efforts to improve the way the Federal government recruits, retains, and reskills IT and cybersecurity talent. Specifically, OPM will continue to support efforts related to the Cybersecurity Reskilling Academy, improved cybersecurity assessments, and strategic IT and cybersecurity hiring.

**CAP Goal 2: Leveraging Data as a Strategic Asset.** By developing solutions to provide training and close competency gaps related to data management and data transformation skills, OPM plans to support strategies to advance the use of data in decision-making and to improve accountability across Government. OPM will continue to participate in the Federal Data Strategy team.

**CAP Goal 4: Improving Customer Experience with Federal Services.** OPM is improving the customer experience with respect to Federal employment services and retirement services. Please see strategic objectives 1.1 and 4.4 for additional information.

**CAP Goal 5: Sharing Quality Services.** OPM will continue to collaborate with GSA on the New Pay Initiative and provide guidance where needed. As part of its Federal human capital mission and responsibility, OPM continues to advance human capital strategies and policies for more effective human capital operations, increase the value of human capital services delivery to Federal agencies, and facilitate compliance with innovative and transformational standards and requirements, in partnership with Federal agencies across the government.

**CAP Goal 6: Shifting from Low-Value to High-Value Work.** Although mindful that enforcing the civil service law is, in fact, a central mission for OPM, 5 U.S.C. 1103(a)(5), OPM is considering whether to pursue changes to statutes or regulations, where possible and appropriate, and examining whether it can simplify the processes by which agencies request flexibilities available under existing law, and still render the effective stewardship the Congress and the President expect.

**CAP Goal 7: Category Management.** OPM leads the Human Capital Category to identify ways to help the Government improve the procurement of human capital services and manage spending under this category. Human Capital Category Management is working closely with GSA to collaborate on the use of common contract solutions, primarily best-in-class (pre-vetted, Government-wide) contract solutions, to meet the human capital needs of customer agencies.

**CAP Goal 9: Getting Payments Right.** OPM is a participating agency in efforts to prevent improper payments that result in a monetary loss to taxpayers.

**CAP Goal 11: Improve Management of Major Acquisitions.** OPM is strengthening the talent capabilities of program and project managers with respect to managing major acquisitions by developing program and project management competencies and career paths, as well as deploying a competency assessment tool.

**CAP Goal 12: Modernizing the Infrastructure Permitting Process.** OPM is providing guidance on integrating permitting-related performance goals into appropriate agency personnel performance plans.



# Legislative Proposals

OPM prepares various legislative proposals during the preparation of its annual budget submission, which align with the strategic goals and objectives of the agency. OPM designs these proposals to enhance and improve its programs, increase efficiency in executing these programs, and reduce overall costs for the Government.

The FY 2021 legislative proposals for OPM are divided into four groups: Technical Corrections to the Federal Employee Paid Leave Act, Civil Service Modernization, Healthcare and Insurance, and Retirement.

## Technical Corrections to the Federal Employee Paid Leave Act

This proposal would make technical corrections and clarifications to the Federal Employee Paid Leave Act, which was enacted as part of the National Defense Authorization Act for Fiscal Year 2020. (See subtitle A of title LXXVI of division F of Public Law 116-92, December 20, 2019.)

The proposed changes include the following:

- Provide that paid parental leave may be used only after the birth or placement of a given child. (This would simplify administration, provide a reasonable limit on the amount of paid parental leave that may be used in connection with the birth/placement of a child, and be consistent with the objective of allowing parents to bond with a new child.)
- Provide that employees of the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA) are covered by the Family and Medical Leave Act (FMLA) provisions 5 U.S.C. chapter 63, subchapter V. (Thus, FAA and TSA employees would be entitled to paid parental leave on the same basis as employees of other agencies.)
- Provide that employees of the Veterans Health Administration (VHA) who are covered under a leave system established under 38 U.S.C. 7421 may not be excluded from coverage under the FMLA law in 5 U.S.C. chapter 63, subchapter V. (Since VA has authority to establish a separate leave system for certain employees, it is necessary to guarantee entitlement to FMLA leave and paid parental leave by limiting use of the section 7421 authority.)
- Establish limitations on the use of paid parental leave in the case of foster care placements. (This change recognizes that, in some cases, foster care placements may be designed to be for temporary periods of less than 1 year, which undermines the justification for paid parental leave to allow for long-term bonding with a child.)
- Clarify when annual and sick leave may be substituted for unpaid FMLA leave. (The 12 weeks of paid parental leave would cover the entire 12 weeks of FMLA leave to be used during the 12-month period after the birth/placement of a child—leaving no need for substitution of annual or sick leave. We would revise the law to limit use of FMLA leave under 5 U.S.C. 63829(a)(1)(A) and (B) to periods of time after birth or placement of a child, except for those making adoption arrangements prior to birth or placement. Thus, only in adoption situations would an employee be

substituting sick or annual leave for FMLA unpaid leave based on placement of a child. If a prospective birth mother requires medical care before giving birth, FMLA leave under section 6382(a)(1)(C) or (D) (i.e., leave based on a serious medical condition) could be granted (and sick or annual leave could be substituted); or sick leave or annual leave could be used without invoking FMLA leave to avoid limiting when paid parental leave could be used after birth of the child.)

- Provide that the paid parental leave benefit must be offset if an employee has received paid parental leave as a Federal employee under an authority other than 5 U.S.C. 6382(d) during the 12-month period following birth or placement of a child. (Because 12 weeks of paid parental leave is provided as an entitlement under various authorities, it is necessary to address the scenario of an employee being covered by multiple authorities during the leave eligibility period.)
- Provide that the 12-month service requirement for eligibility can be met by any service as a civil service employee of the Government of the United States, rather than being generally limited to service of a type that covers an employee under the chapter 63 annual and sick leave system. (Some employees may move to a chapter 63 covered position and could fail to qualify for paid parental leave based on the lack of service under a chapter 63 covered position—e.g., a movement from the legislative branch to the executive branch—even though they may have already been receiving paid parental leave under the former position. Also, this conforms with the proposal to provide FMLA coverage to employees at FAA, TSA, and VHA who are not covered by the chapter 63 annual and sick leave system.)

## **Civil Service Modernization Proposals**

The following proposals are designed to help meet agency needs for hiring and managing the Federal workforce:

### **Improve the Critical Position Pay authority**

This proposal would amend the existing Critical Position Pay authority to allow OPM, in consultation with OMB, to grant critical pay up to the rate for the Vice President (\$246,900 in 2019). This proposal would also expand the total number of positions that may be approved for critical pay from 800 to 2,000.

### **Create a new Critical Skills Incentive**

This proposal would allow the OPM Director to authorize agencies to pay a special incentive to employees (or subsets of employees) who possess high-demand or shortage skills that serve a critical need, up to 25 percent of basic pay. The proposal would also allow OPM to designate high-demand or shortage skills that serve a critical need across the Federal Government and to review such critical skills at least once each year for recertification, revision, or elimination.

### **Slow progression through the GS and Prevailing Rate pay scales**

The proposal would add one year to each GS within-grade increase waiting period resulting in a waiting period of two years (instead of one year) for progression to steps 2, 3, and 4; three years (instead of two years) for progression to steps 5, 6, and 7; and four years (instead of three years) for progression to steps

8, 9, and 10. The proposal would remove an employee's right to appeal the agency's determination that his or her performance does not warrant advancement to the next higher rate within the grade to the Merit Systems Protection Board (MSPB).

**Reserve advancement into highest steps for high performers**

The proposal would maintain the current standard that a GS employee's performance be at an acceptable level in order to advance to steps 2, 3, 4, 5, 6, or 7, but would require performance above Fully Successful in order to advance to steps 8, 9, or 10.

**Eliminate credit toward within-grade increase waiting periods for periods during which an employee was serving on a performance improvement plan due to unacceptable performance**

The proposal would extend a GS within-grade increase waiting period by the amount of time that an employee spends under a performance improvement plan. As a within-grade increase waiting period would be two years, three years, or four years under this proposal, it would include multiple performance appraisal periods. While the current regulations require that an agency withhold a within-grade increase when the employee's most recent rating of record is below Fully Successful or equivalent, there is no authority to delay a within-grade increase based on a rating of record of below Fully Successful that is assigned earlier than the most recently completed appraisal period.

**Correct an anomaly in the Federal Service Labor-Management relations statute, which is part of the Civil Service Reform Act of 1978**

This proposal is designed to correct an anomaly in the Federal Service Labor-Management relations statute, which is part of the Civil Service Reform Act of 1978, and is codified at 5 U.S.C. Chapter 71. The current language undermines the purpose of a uniform civil service.

The statutory provision makes it an unfair labor practice "to enforce any rule or regulation (other than a rule or regulation implementing section 2302 of this title) which is in conflict with any applicable collective bargaining agreement if that agreement was in effect before the date the rule or regulation was prescribed."

Currently, under 5 U.S.C. § 7116(a)(7) Government-wide regulations, including OPM's personnel regulations relating to such subjects as discipline, performance management, and leave, among many other topics, may not be enforced when an existing collective bargaining agreement covering a particular bargaining unit conflicts with the intervening regulation.

Government-wide regulations are promulgated to achieve Government-wide uniformity in interpreting and implementing the underlying statute. Permitting agencies and unions to preempt the comprehensive scope of these regulations by agreement during the life of their contract wittingly or unwittingly creates incongruences among agencies and often within agencies for a number of years. Because agencies' authority to promulgate Government-wide regulations have their source in statute and Executive Order, the current statutory provision has the effect of permitting local agreements to preempt the authority to interpret and apply statutes through regulation that are authorized or mandated by law. This inversion is detrimental to efficient and effective Government, one of the stated rationales for the Federal Service Labor-Management Statute. 5 U.S.C. § 7101(b).

## **Awards Cap**

This proposal would provide greater flexibility for agencies to provide cash incentive awards by raising the current caps/thresholds requiring OPM or POTUS approval. Specifically, the cap for awards requiring OPM approval would increase from \$10,000 to \$25,000, and the cap requiring POTUS approval would increase from \$25,000 to \$50,000. These caps would also be subject to automatic annual adjustment in accordance with the Consumer Price Index. This proposal would also improve equity between SES performance awards and performance awards for SL/ST employees by excluding SL/ST performance awards up to 20 percent of pay from the cash award approval cap (same as SES performance awards up to 20 percent, which are not subject to the cap).

## **Healthcare and Insurance Proposals**

### **Government Contribution Adjustment Based on Plan Performance Assessment**

Effective with the plan year beginning no earlier than 18 months after enactment, this proposal would revise the calculation of the Government contribution to premium so that the contribution is adjusted based on a plan's score from the FEHB Plan Performance Assessment (PPA). All FEHB health plans are required to participate in the PPA, which includes measures of quality, customer service, and resource use pursuant to 48 CFR 1615.404-70.

Currently, the Government contribution that a health plan option receives for an annuitant or non-Postal employee is the lesser of 72 percent of the weighted average premium of all health plans or 75 percent of that plan option's individual premium. Under this proposal, FEHB plans will be divided into two groups representing higher performing plans and all other plans. The base Government contribution would be established as 71 percent of the weighted average of all plan premiums up to 75 percent of an individual plan's premium. For higher performing plans, the Government contribution would be raised by 5 percent, up to a maximum of 80 percent of the plan's premium. Health plans not categorized in the high-performing group would receive the base contribution amount. OPM would support informed decision-making by designating the plans receiving the additional Government contribution on plan informational material.

OPM estimates this proposal would result in a savings of about 1.1 percent of the Government share of premium for annuitants and non-Postal employees, who represent nearly 90 percent of those enrolled in FEHB. This estimate was calculated using 2019 premium amounts and enrollment and 2017 Clinical Quality, Customer Service and Resource Use (QCR) PPA scores. The U.S. Postal Service's contribution toward premiums for Postal employees would continue to be subject to collective bargaining pursuant to the Postal Reorganization Act of 1970 (39 U.S.C. §1005(f)).

This proposal aligns with OPM's strategic goal 1.4 to improve healthcare quality and affordability in the FEHB Program with 75 percent of enrollees in quality, affordable plans.

OPM is currently drafting legislative language for this proposal.

## **Voluntary Benefits**

This proposal would enhance OPM's ability to continue to offer a competitive employee benefits package by establishing authority for OPM to launch new voluntary (i.e., employee-pay-all) benefit programs. Under this authority, OPM could contract with insurers or other appropriate vendors to offer one or more specific benefits to Federal employees and, if applicable, annuitants. OPM does not have authority to contract or hold funds for these benefits under current law. In recognition of the constraints on the Federal budget, enrollees would be responsible for the full cost of these benefits. However, because OPM would harness the group purchasing power of the Federal workforce, the cost could be more affordable than if enrollees seek similar benefits in the retail market on an individual basis. As employee benefits in the private sectors evolve, this authority would enhance OPM's ability to provide a competitive, modern benefits package that fosters recruitment and retention of the highly skilled workforce that the Federal government needs. This authority would allow Title 5 agencies to follow the strategy of several agencies with independent human resources authority, such as those operating under the Federal Institutions Reform, Recovery and Enforcement Act (FIRREA), who offer additional benefits to aid in recruitment. Illustrative examples of the types of benefits that OPM is considering offering under this authority include short-term disability insurance, prepaid legal plans, emergency short-term childcare, and personal accident insurance.

## **Tax Preemption for the Federal Employees Dental and Vision Insurance Program**

This proposal provides a technical change to align FEDVIP with other Federal benefit programs. This technical correction would equalize the treatment of all Federal insurance programs and clarify that no tax, fee, or other monetary payment may be imposed on a FEDVIP carrier by any State, the District of Columbia, or the Commonwealth of Puerto Rico, or by any political subdivision or other Governmental authority thereof.

## **Medical Liability Reform**

The Administration's medical liability reform proposal would:

1. Cap awards for noneconomic damages at \$250,000 indexed to inflation;
2. Allow evidence of a claimants' income from other sources such as workers compensation and auto insurance to be introduced at trial;
3. Provide for a three-year statute of limitations;
4. Establish a fair-share rule to replace the current rule of joint and several liability;
5. Provide safe harbors for providers based on clinical standards;
6. Authorize the Secretary of Health and Human Services to provide guidance to States to create expert panels and administrative health care tribunals;
7. Allow courts to modify attorney's fee arrangements;
8. Exclude provider expressions of regret or apology from evidence; and

9. Require courts to honor a request by either party to pay damages in periodic payments for any award equaling or exceeding \$50,000.

If enacted, the Administration's medical liability reform proposal would affect the FEHB Program beginning in 2023. Capping awards and shortening the statute of limitations could potentially reduce costs for malpractice insurance carriers. Additional costs to carriers are reflected in malpractice insurance premiums. Therefore, this proposal has the potential to lower malpractice insurance premiums, which in turn lowers healthcare costs overall. In addition, these reforms have the potential to reduce unnecessary healthcare utilization, or 'defensive medicine,' also reducing healthcare costs.

## **Retirement Proposals**

### **Change Retirement Calculation from High-3 to High-5 Years**

This proposal would change the annuity benefit calculation of future retirees. Rather than using the current average of a Federal employee's three highest salary earning years (High-3), the calculation would use the highest five consecutive salary years.

The financial impact of utilizing the High 5 average salaries versus the High 3 for all new retirees would create a savings to the Government of approximately \$8.1 billion over ten years. Annual savings are projected to reach approximately \$1.2 billion in FY 2030, and are expected to continue to grow because of an increasing fraction of retirees would receive annuity benefits under this new calculation.

### **Elimination of the Cost-of-Living Adjustment (COLA) for current and future Federal Employee Retirement Systems (FERS) participants and Reduce the COLA for Civil Service Retirement System (CSRS) retirees by 0.5 percent**

This proposal would eliminate the COLA for current and future FERS annuitants. Under current law, FERS retirees (starting at age 62) receive a full COLA if the Consumer Price Index (CPI) is up to 2 percent and up to 1 percent less than the change in the CPI if the change is more than 2 percent. This legislative proposal would change the policy by eliminating the FERS COLA and reducing the COLA for CSRS retirees by 0.5 percent. Approximately 75 percent of current retirees receiving benefits are from the CSRS population.

The financial impact of eliminating the COLA for FERS annuitants and reducing the COLA by 0.5 percent for CSRS retirees would create a savings to the Government of approximately \$12.6 billion over five years and \$53.6 billion over ten years.

### **Eliminate the Annuity Supplement for all new Federal Employee Retirement Systems (FERS) retirees**

This proposal would eliminate the temporary FERS annuity supplement employees who retire early receive until they reach age 62, the age when they become eligible for Social Security. It would apply to all new FERS retirees that meet the criteria for receiving a FERS Annuity Supplement.

The financial impact of eliminating the Annuity Supplement for FERS retirees would create a savings to the Government of approximately \$20.0 billion over ten years.

### **Increase in employee contributions to 50 percent of cost, phased in at 1 percent per year**

This proposal would increase employee contributions to the Federal Employees Retirement System (FERS) such that an employee and employer would each pay half the normal cost. Under current law, Federal employees contribute between 0.8 percent and 4.4 percent of their salary towards their Federal pension. Federal agencies contribute the remainder of the normal cost. To mitigate the impact on employees, this provision would be phased in over several years, with individuals contributing an additional 1 percent of their salary each year until equalized.

The financial impact of this proposal, agency contributions decreasing and employee contributions increasing, would create a savings to the Government of \$2.2 billion in the first phased-in year, approximately \$34.7 billion over five years, and approximately \$101 billion over ten years.

### **Federal Employees' Defined Contribution Plan for Term Employees**

This proposal would provide new term employees with an enhanced defined contribution retirement plan during their appointment. Currently, certain term employees receive both a defined benefit through the Federal Employees Retirement System (FERS) as well as a defined contribution plan through the Thrift Savings Plan (TSP). Typically, private employers provide only one type of retirement plan, usually through a defined contribution plan. This proposal helps bring Federal retirement benefits more in line with the private sector, and more in line with the expectations of the newer civil servants, by increasing the mobility of benefits for term employees. Increasing mobility of benefits is in line with the expectations of America's workforce.

Prospectively, new term employees would receive an agency automatic contribution to TSP increased to 5 percent of basic salary from the current 1 percent. The Government TSP matching contribution will increase to 5 percent of basic salary, dollar for dollar, on top of the automatic contribution. Term employee contributions above 5 percent would not be matched; however, employees would retain the right to contribute from their salary up to IRS limits on contributions to the TSP.

Under the Federal Employees Retirement System Defined Contribution Plan for Term Employees, employees that maximize the matching contributions would aggregate a total of 15 percent of pay contributed to their TSP account.

For certain new term employees in the public safety field, the automatic Government contribution will be 7 percent of basic pay, with a Government match of up to 7 percent. Employees that maximize the matching contributions would aggregate a total of 21 percent of pay contributed to their TSP account.

By aligning Federal benefits with prospective term employee expectations, our Government will be better positioned to attract qualified talent. Additionally, the increased mobility of benefits will allow for a natural cycle where employees can enter the public sector, transition to the private sector, and re-enter the public sector – bringing with them the best practices of industry to foster continued revitalization of Government processes.



# Appropriations Language

## REVISED SALARIES AND EXPENSES as Federal Workforce Service

### SALARIES AND EXPENSES (INCLUDING TRANSFER OF TRUST FUNDS)

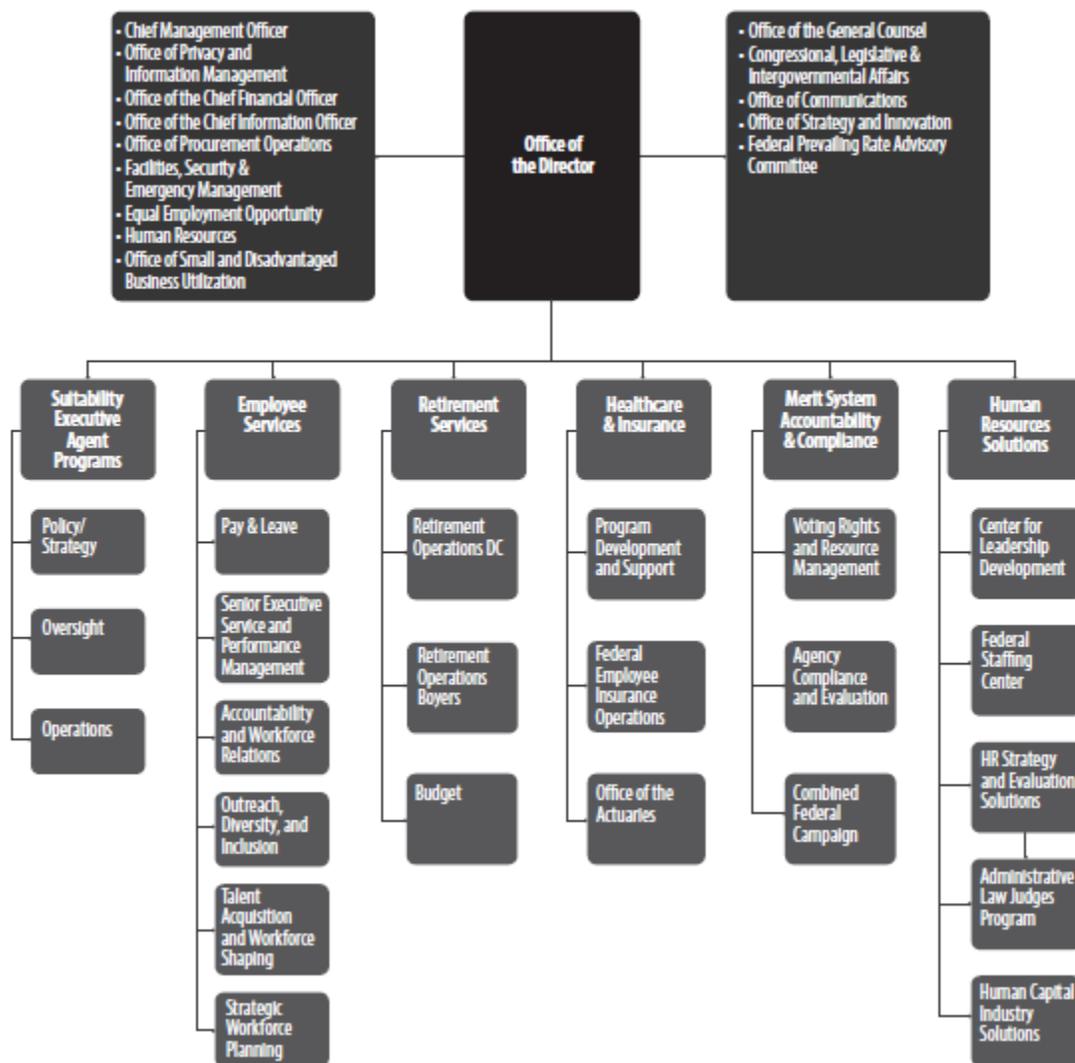
Contingent upon enactment of authorizing legislation to reorganize the Office of Personnel Management (OPM) and transfer certain of its functions to the General Services Administration (GSA), for necessary expenses to carry out functions formerly vested in OPM pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$147,322,000: *Provided*, That of the total amount made available under this heading, up to \$8,811,000 shall remain available until expended, for information technology infrastructure modernization and Trust Fund Federal Financial System migration or modernization, and shall be in addition to funds otherwise made available for such purposes: *Provided further*, That of the total amount made available under this heading, \$1,048,000 may be made available for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management; and in addition \$147,609,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM's successor division at GSA without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: *Provided further*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8958(f)(2)(A), 8988(f)(2)(A), and 9004(f)(2)(A) of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of OPM's successor division at GSA established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2021, accept donations of money, property, and personal services: *Provided further*, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission: *Provided further*, That amounts available from this heading, including amounts received by transfer from the applicable trust funds of OPM's successor division at GSA, may be transferred to an Information Technology Working Capital Fund for purposes authorized by the Modernizing Government Technology Act (40 U.S.C. 11301 note).



# Organizational Framework

OPM’s divisions and offices and their employees implement the programs and deliver the services that enable the agency to meet its strategic goals and fulfill its statutory mandates. The agency’s organizational framework consists of program divisions and offices that both directly and indirectly support the agency’s mission.

This plan reflects organizational changes to better align and consolidate agency functions. These changes are intended to help OPM meet its strategic goals and priorities and provide optimal service to customers, while executing effective stewardship of taxpayer dollars, by effectively executing, enforcing, and administering civil service law. MSAC’s Internal Oversight and Compliance program will be merged with the Office of the Executive Secretariat in the Office of the Director.



## OPM Budget FY 2020 & FY 2021 by Organization- All Resources

Organization	FY 2020 Enacted		FY 2021 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Chief Human Capital Officer Council **	\$181,422	1.0	\$0	0.0	(\$181,422)	(1.0)
Congressional, Legislative and Intergovernmental Affairs	\$1,969,000	12.7	\$1,928,000	12.0	(\$41,000)	(0.7)
Employee Services	\$29,841,000	178.0	\$30,761,800	167.1	\$920,800	(11.0)
Equal Employment Opportunity	\$1,026,000	6.8	\$1,055,000	6.0	\$29,000	(0.8)
Facilities, Security & Emergency Management	\$15,032,000	68.4	\$13,456,761	74.3	(\$1,575,239)	5.8
Federal Prevailing Rate Advisory Committee	\$167,000	1.0	\$176,000	1.0	\$9,000	0.0
Healthcare & Insurance	\$38,489,123	162.7	\$37,912,716	167.8	(\$576,407)	5.1
HR Solutions	\$495,516,726	465.0	\$710,906,913	469.0	\$215,390,187	4.0
Merit System Accountability & Compliance	\$16,457,000	95.7	\$15,481,716	87.0	(\$975,284)	(8.7)
National Background Investigations Bureau	\$158,000,000	0.0	\$0	0.0	(\$158,000,000)	0.0
Office of Communications	\$1,769,000	10.7	\$2,225,000	11.0	\$456,000	0.3
Office of Procurement Operations	\$5,699,000	32.2	\$5,540,158	31.7	(\$158,842)	(0.5)
Office of Small and Disadvantaged Business Utilization	\$431,000	2.0	\$423,000	1.8	(\$8,000)	(0.2)
Office of the Chief Financial Officer	\$132,163,000	121.2	\$130,308,993	115.0	(\$1,854,007)	(6.2)
Office of the Chief Information Officer	\$319,967,483	348.7	\$339,528,309	383.4	\$19,560,826	34.7
Office of the Director	\$8,477,692	31.3	\$8,967,700	31.0	\$490,008	(0.3)
Office of the General Counsel	\$6,179,000	33.2	\$6,220,000	31.0	\$41,000	(2.2)
Office of the Inspector General	\$30,265,000	154.0	\$0	0.0	(\$30,265,000)	(154.0)
Rent/Centrally Funded Items	\$29,683,555	0.0	\$29,205,000	0.0	(\$478,555)	0.0
Retirement Services	\$105,642,750	1,024.6	\$107,177,088	947.4	\$1,534,339	(77.2)
Security, Suitability and Credentialing Line of Business	\$7,500,000	13.0	\$7,508,000	11.0	\$8,000	(2.0)
Suitability Executive Agent Programs	\$8,342,000	56.0	\$9,833,981	56.0	\$1,491,981	0.0
White House Fellows	\$808,000	4.9	\$786,000	5.0	(\$22,000)	0.1
Office of Strategy and Innovation	\$5,643,188	30.3	\$5,763,500	27.0	\$120,312	(3.3)
Office of Privacy and Information Management	\$5,237,121	18.6	\$5,435,000	16.0	\$197,879	(2.6)
OPM Human Resources	\$7,608,000	41.5	\$8,092,000	35.5	\$484,000	(6.0)
<b>OPM Total</b>	<b>\$1,432,095,060</b>	<b>2,913.3</b>	<b>\$1,478,692,635</b>	<b>2,686.9</b>	<b>\$46,597,575</b>	<b>(226.5)</b>

\* This table includes revolving fund-financed organizations, common services funding, and Advances & Reimbursements. Therefore, this table varies from the tables in the Executive Summary section.

\*\* The administrative functions to support CHCOC were transitioned to GSA in Q1 FY 2020.

OPM's gross budget is expected to increase from FY 2020 to FY 2021 by \$46.6 million, largely due to the anticipated increase of DOD business with HR Solutions' USA Learning program. The increase is also attributed to business activities with the HRTT PMO. This is offset by the resolution of background investigations activity. In addition, the Office of the Inspector General is displayed with the GSA OIG.

This section describes each organization and the key roles and responsibilities it plays in contributing to the achievement of OPM's mission. OPM's organizations are categorized into four different types of offices: Executive, Program, Mission Support, and Others, which are detailed below:

### **Executive Offices**

*The Office of the Director (OD)* provides guidance, leadership, and direction necessary to lead and serve the Federal Government by delivering policies and services to achieve a trusted effective civilian workforce. The Human Resources Line of Business (HRLOB) is housed within OD. Also included within OD is the Executive Secretariat (ExecSec) function, which is responsible for coordination and review of agency correspondence, policy and program proposals, regulations, and legislation. The ExecSec serves as the agency's regulatory interface with the Office of Management and Budget and the Federal Register. The office is also responsible for the administrative and resource management support for the OD and other executive offices. Additionally, the ExecSec coordinates OPM's international affairs activities and contacts, and drives the resolution of audit recommendations.

*Office of Privacy and Information Management (OPIM)* was established in February 2019 in order to elevate and co-locate certain important and complementary subject matter areas and, in so doing, call attention to their significance in the day-to-day business operations of OPM and facilitate proper resource allocation for the work performed. This included realigning the former Information Management and Freedom of Information Act (FOIA) groups from the Office of the Chief Information Officer into OPIM and realigning the Chief Privacy Officer/Senior Agency Official for Privacy from within the Office of the Director to lead the new organization. OPIM's key areas of responsibility are: Privacy; FOIA; Records Management; Section 508 Accessibility; Forms Management/Paperwork Reduction Act; and Controlled Unclassified Information.

*Office of the General Counsel (OGC)* provides legal advice and representation to the Director and OPM managers and leaders so they can work to provide the Federal Government an effective and trusted civilian workforce. OGC does this by rendering opinions, reviewing proposed policies and other work products, and commenting on their legal efficacy, serving as agency representatives in administrative litigation, and supporting the Department of Justice in its representation of the Government on matters concerning the civilian workforce. OGC also carries out several programmatic, substantive functions that fulfill other statutory or regulatory mandates and, thus, benefit other OPM offices or the Executive Branch as a whole. For example, OGC is responsible for the Government-wide Hatch Act regulations, administers the internal agency Hatch Act and ethics programs, and serves in a policy and legal role in the Government-wide function of determining which Merit Systems Protection Board and arbitral decisions are erroneous and have a substantial impact on civil service law, and, thus, merit judicial review. Further, consistent with the Government in Ethics Act, OGC, along with DOJ, consults with the United States Office of Government Ethics (OGE) on any regulations related to the Standards of Conduct OGE plans to issue. OPM also administers OPM's internal program for handling claims lodged under the Federal Tort Claims Act.

***Congressional, Legislative and Intergovernmental Affairs (CLIA)*** is the OPM office that fosters and maintains relationships with Members of the Congress and their staff. CLIA accomplishes its mission by keeping informed of issues related to programs and policies administered by OPM. CLIA staff attend meetings, briefings, markups, and hearings in order to interact, educate, and advise agency leadership and the Congress, as well as state and local governments. CLIA is also responsible for supporting congressional efforts through providing technical assistance and substantive responses to congressional inquiries.

***Office of Communications (OC)*** coordinates a comprehensive effort to inform the public of the Administration's and OPM's goals, plans, and activities through various media outlets. The OC provides the American public, Federal agencies, and pertinent stakeholders with accurate information to aid in their planning and decision-making process. The OC coordinates the publication and production of all video products, printed materials, and websites generated by OPM offices. The office develops briefing materials for the Director and other OPM officials for various activities and events. The OC also plans events that amplify the Administration's and OPM's key initiatives within the agency as well as Government-wide.

***Security, Suitability, and Credentialing Line of Business (SSCLoB)*** is an interagency organization that is administratively housed within OPM's Office of the Director. The SSCLoB was established by and supports the Suitability and Security Executive Agents (OPM and ODNI) and the Security, Suitability and Credentialing Performance Accountability Council (PAC) through its PMO. The PAC is chaired by the Deputy Director for Management of OMB and is accountable to the President for promoting alignment of processes, to the extent appropriate, and driving enterprise-wide personnel vetting reform efforts. Through the PAC PMO, the PAC helps establish the overall direction for the SSCLoB's work to identify and assist with implementing solutions that optimize personnel vetting investments, simplify delivery of personnel vetting services where possible, establish shared services, and promote reciprocity, efficiency, and effectiveness across the personnel vetting enterprise.

***Office of Strategy and Innovation (OSI)*** uses data and research to develop human capital strategy and leads human resources innovation throughout the Federal Government. OSI includes both the Data Analysis Group and the Survey Analysis Group.

### **Program Offices**

***Employee Services (ES)*** administers statutory and regulatory provisions related to recruitment, strategic workforce planning, pay, leave, performance management and recognition, leadership and employee development, reskilling, work/life/wellness programs, diversity and inclusion, and labor and employee relations efforts with tools, education, and direct support. Employee Services also uses data and research to develop human capital strategy and leads human resources innovation throughout the Federal Government.

***Retirement Services (RS)*** is responsible for administering, developing, and providing Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving

nearly 2.7 million Federal retirees and survivors who receive monthly annuity payments. Even after a case is adjudicated and added to the annuity roll, OPM continues to serve annuitants by making address or tax status changes to annuitant accounts, sending out 1099-Rs, surveying certain annuitants to confirm their continued eligibility to receive benefits, and conducting other post adjudication activities.

***Healthcare and Insurance (HI)*** consolidates OPM's healthcare and insurance responsibilities into a single organization. This includes contracting and program development and management functions for the Federal Employees Health Benefits (FEHB) Program, Federal Employees' Group Life Insurance (FEGLI) Program, the Federal Long Term Care Insurance Program (FLTCIP), the Federal Employees Dental and Vision Insurance Program (FEDVIP), and the Federal Flexible Spending Account Program (FSAFEDS).

***Merit System Accountability & Compliance (MSAC)*** provides rigorous oversight to determine if Federal agency human resources programs are effective and efficient, and comply with merit system principles and related civil service regulations. MSAC evaluates agencies' programs through a combination of OPM-led evaluations and as participants in agency-led reviews. The evaluations may focus on all or some of the four systems of OPM's Human Capital Framework: (1) strategic planning and alignment of human resources to mission, (2) performance culture, (3) talent management, and (4) evaluation systems. MSAC reports may identify required corrective actions, which agencies must show evidence of implementing, as well as recommendations for agencies to improve their systems and procedures. MSAC also conducts special cross-cutting studies to assess the use of HR authorities and flexibilities across the Government. Moreover, MSAC reviews and renders decisions on agencies' requests to appoint current or former political appointees to positions in the competitive service, the non-political excepted service, or the senior executive service to verify that such appointments conform to applicable selection requirements and are free of political influence. MSAC is required to report to Congress on its review and determinations concerning these appointments. MSAC also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable offer appeals (where the grade or pay is equal to or greater than the retained grade (5 CFR 536.402), all of which provides Federal employees with administrative procedural rights to challenge compensation and related agency decisions without having to resort to seeking redress in Federal courts. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees and annuitants the opportunity to improve the quality of life for all. The Voting Rights Program deploys Federal observers to monitor polling sites (as determined by the Attorney General) and provides written reports to the Department of Justice.

***Human Resources Solutions (HRS)*** is a fee-based organization comprised of four practice areas offering a complete range of tailored and standardized human resources products and services, on a reimbursable basis, designed to meet the unique and dynamic needs of the Federal Government, including operationalizing Government-wide HR policies and other key human capital initiatives. Some of this work is directed by statute, and other aspects are performed at the option of an agency that engages HRS in this work. HRS provides customer agencies with innovative, high quality Government-to-Government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting mission success. This includes recruiting and examining candidates for positions for employment by Federal agencies nationwide; managing the Leadership for a Democratic Society program and other leadership, management, and professional development programs; automating the full range of Federal rules and procedures for staffing, learning and performance management; operating the USAJOBS online recruitment site; developing specialized assessments and performance management strategies; providing comprehensive HR strategy; providing learning record systems or learning ecosystems; and offering Federal customers human capital management, organizational performance improvement, and training and development expertise procured through best-in-class contracts. The Administrative Law Judges (ALJ) program, which formerly administered the competitive examining process for ALJs, engages in oversight activities designed to preserve ALJs' qualified adjudicative independence with respect to 28 agencies employing ALJs Government-wide, including, for example, approving reassignments within agencies, intra-agency details, inter-agency loans of ALJs, and the appointment of Senior ALJs.

***Suitability Executive Agent (SuitEA)*** was established as a distinct program office within OPM in December 2016 to strengthen the effectiveness of vetting for and determinations of suitability or fitness for Federal employment or to perform work under a Government contract and eligibility for credentials (that is, logical and physical access to agency systems and facilities) across the Government. SuitEA prescribes suitability, fitness, and credentialing standards and conducts oversight of functions delegated to the heads of agencies while retaining jurisdiction for certain suitability determinations and taking Government-wide suitability actions when appropriate. SuitEA also issues guidelines and instructions to the heads of agencies to promote appropriate uniformity, centralization, efficiency, effectiveness, reciprocity, timeliness, and security in suitability/fitness/credentialing processes. In the wake of the delegation to DOD of investigations relating to suitability, fitness, or credentialing, SuitEA will also be responsible for setting standards for those investigations and exercising oversight over DOD's performance of those investigations.

### **Mission Support Services**

***Human Resources (HR)*** is responsible for OPM's internal human resources management programs. OPM HR supports the human capital needs of program offices throughout the employment lifecycle, from recruiting and hiring candidates for employment opportunities at OPM, to coordinating career development opportunities, to processing retirement applications. The OPM Chief Human Capital Officer (CHCO) leads HR, and is responsible for shaping corporate human resources strategy, policy, and solutions to workforce management challenges within the agency.

***Office of the Chief Financial Officer (OCFO)*** provides leadership and coordination of OPM financial management services, accounting, financial systems, budget, performance, enterprise risk management, and internal controls programs which enable the agency to achieve strategic objectives and mission. Additionally, the OCFO facilitates the completion of timely and accurate financial reports that support decision making, comply with Federal requirements, and demonstrate effective management of taxpayer dollars.

***Office of the Chief Information Officer (OCIO)*** develops the Information Resource Management Plan and defines the information technology vision and strategy to include information technology policy and security for OPM. The OCIO manages the IT infrastructure that supports OPM business applications and operations. The OCIO shapes the application of technology in support of the agency's strategic plan, including information technology that outlines the long-term strategic architecture and systems plans for agency information technology capital planning. The OCIO supports and manages pre- and post-implementation reviews of major information technology programs and projects, as well as project tracking at critical review points. The OCIO provides review and oversight of major information technology acquisitions for consistency with the agency's architecture and the information technology budget, and is responsible for the development of the agency's information technology security policies in a manner consistent with Federal law. The OCIO leads the agency's information technology architecture engineering to further architecture integration, design consistency, and compliance with Federal standards. The OCIO also works with other agencies on Government-wide projects such as IT Modernization, Cloud Email Adoption, and developing long-term plans for human resource information technology strategies.

***Facilities, Security & Emergency Management (FSEM)*** manages the agency's personal and real property, building operations, space design and layout, mail management, physical security and safety, and occupational health programs. FSEM provides personnel security, suitability, and national security adjudicative determinations for OPM personnel. FSEM oversees OPM's Personal Identification Verification program and provides shared services in support of other Government agencies' adjudicative programs. FSEM directs the operations and oversees OPM's classified information, industrial security, insider threat, and preparedness and emergency response programs. In addition, it oversees publishing and printing management for internal and external design and reproduction.

***Office of Procurement Operations (OPO)*** awards and administers contract actions and interagency agreements. OPO provides acquisition support to OPM programs and provides assisted acquisition services in support of other Federal agencies that require support under OPM contracts. OPO supports the agency suspension and debarment program, as well as supports the small business utilization efforts for OPM in accordance with law and OPM contracting policies. The Acquisition Policy and Innovation function within OPO provides acquisition policy development and guidance agency-wide, as well as provides compliance and oversight over OPM's procurement program. OPO provides acquisition support and oversight for all Contracting Officers and Contracting Officer Representatives, and manages and provides oversight of the purchase card program. OPO serves as OPM's liaison to the Office of Federal Procurement Policy, Chief Acquisition Officers Council, and other key external agency partnerships.

***Office of Small and Disadvantaged Business Utilization (OSDBU)*** manages the development and implementation of appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within OPM. The office's responsibilities, programs, and activities are managed under three lines of business: advocacy, outreach, and unification of the business process.

***Equal Employment Opportunity (EEO)*** provides a fair, legally-correct, and expeditious EEO complaints process (for example, EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO also designs and implements all required internal OPM diversity and inclusion efforts to promote diversity management.

#### **Other Offices**

***Federal Prevailing Rate Advisory Committee (FPRAC)*** studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under Subchapter IV of Chapter 53 of Title V, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.

# Performance Budget by Strategic Goal

This section aligns OPM’s FY 2021 budget request to the agency’s strategic plan. Funding amounts, performance measures and targets, and next steps are detailed for each objective in the strategic plan. It is intended to meet the performance planning requirements of the Office of Management and Budget (OMB) Circular A-11, Part 6, Section 240 – *Annual Performance Planning and Reporting*.

The OPM Strategic Plan includes three strategic goals as well as one operational excellence goal to improve both program operations and cross-cutting management functions. The agency’s goals and objectives will guide efforts to accomplish OPM’s mission to *lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce* and achieve its vision for “*Empowering Excellence in Government through Great People.*”

## Goals

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce.

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions.

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs.

Operational Excellence Goal 4: Optimize agency performance.

## Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. Such functions include, for example, the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice, and operating the President’s Commission on White House Fellows.

## Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions. These administrative and executive leadership activities are grouped in the strategic plan as capacity-enabling functions.

The following table shows the resources budgeted against each of OPM’s goals. All resources are shown for each goal, including financing from:

- Common Services, which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

## FY 2021 Budget Request by Goal and Fund—All Resources

Strategic Objectives	Dollars	FTE
<b>Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce</b>	<b>\$41,303,164</b>	<b>218.3</b>
Salaries & Expenses	\$11,329,193	61.6
Trust Fund Annual	\$25,859,973	131.5
Revolving Fund	\$3,534,834	22.0
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$579,164	3.2
<b>Lead the establishment and modernization of human capital information technology and data management systems and solutions</b>	<b>\$9,437,081</b>	<b>23.4</b>
Salaries & Expenses	\$3,934,919	19.4
Common Services	\$163,783	1.0
Revolving Fund	\$5,338,379	3.0
<b>Improve integration and communication of OPM services to Federal agencies to meet emerging needs</b>	<b>\$17,078,844</b>	<b>104.7</b>
Salaries & Expenses	\$15,245,292	92.7
Revolving Fund	\$1,833,552	12.0
<b>Optimize Agency Performance</b>	<b>\$158,764,067</b>	<b>1,066.1</b>
Salaries & Expenses	\$2,506,772	0.0
IT Modernization S&E	\$8,811,000	6.7
Trust Fund Annual	\$69,279,674	552.7
Common Services	\$22,571,026	76.5
Advances & Reimbursements Annual	\$10,046,993	8.9
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$44,330,888	411.4
FERCCA (P.L. 106-265) - Retirement	\$1,217,714	10.0
<b>Additional Mission and Mission Support Activities</b>	<b>\$1,252,109,479</b>	<b>1,274.5</b>
Salaries & Expenses	\$86,359,824	187.5
Trust Fund Annual	\$24,164,353	55.5
Common Services	\$50,579,191	211.2
Revolving Fund	\$918,021,280	667.0
Advances & Reimbursements Annual	\$155,729,793	128.9
Advances & Reimbursements No Year	\$2,182,046	0.8
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$8,378,254	17.3
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$1,000,335	4.8
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$5,680,403	1.6
FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
<b>OPM Total</b>	<b>\$1,478,692,635</b>	<b>2,686.9</b>

Note: This table includes the budget of administrative activities funded by OPM's Common Services. Revolving fund financing for Common Services is also reflected.

The following table is a more granular view of the prior table. It shows the operating resources budgeted to each objective within the goals, and includes financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Security, Suitability, and Credentialing Line of Business;
- Resources spent as Common Services, which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative functions of the agency.

## FY 2021 Budget Request by Goal and Objective—All Resources

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
<b>Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce</b>	<b>1.1</b>	Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner	\$12,447,811	71.6
	<b>1.2</b>	Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets	\$2,416,216	12.0
	<b>1.3</b>	Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform	\$1,654,757	9.0
	<b>1.4</b>	Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans	\$24,784,380	125.7
	<b>1.5</b>	Transform the background investigation process to improve investigation timeliness	\$0	0.0
	<b>Strategic Goal Total</b>			<b>\$41,303,164</b>
<b>Lead the establishment and modernization of human capital information technology and data management systems and solutions</b>	<b>2.1</b>	Improve collection and analysis of data to better inform human capital management decisions	\$2,918,002	15.4
	<b>2.2</b>	Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022	\$2,188,379	3.0
	<b>2.3</b>	Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements	\$4,330,700	5.0
	<b>Strategic Goal Total</b>			<b>\$9,437,081</b>
<b>Improve integration and communication of OPM services to Federal agencies to meet emerging needs</b>	<b>3.1</b>	Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives	\$14,661,590	92.5
	<b>3.2</b>	Achieve recognition as the trusted human capital management advisor	\$2,417,254	12.2
	<b>Strategic Goal Total</b>			<b>\$17,078,844</b>
<b>Optimize Agency Performance</b>	<b>4.1</b>	Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points	\$2,448,110	1.0
	<b>4.2</b>	Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points	\$1,120,618	5.5

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
	4.3	Exceed the Government-wide average satisfaction score for each agency mission support service	\$40,992,330	88.2
	4.4	Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less	\$114,203,009	971.4
<b>Strategic Goal Total</b>			<b>\$158,764,067</b>	<b>1,066.1</b>
<b>Additional Mission and Mission Support Activities</b>	5.1	Additional Mission Activities Aligned to Key Functions	\$883,448,219	668.1
	5.2	Additional Mission Support Activities	\$368,661,260	606.4
<b>Strategic Goal Total</b>			<b>\$1,252,109,479</b>	<b>1,274.5</b>
<b>OPM Total</b>			<b>\$1,478,692,635</b>	<b>2,686.9</b>

## FY 2021 Budget Request by Goal and Organization—All Resources

The following table shows FY 2021 operating resources for each strategic goal by organization. This includes:

- Resources spent as Common Services which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

<u>Organization Name</u>	<u>Goal 1 Description</u> Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	<u>Goal 2 Description</u> Lead the establishment and modernization of human capital information technology and data management systems and solutions	<u>Goal 3 Description</u> Improve integration and communication of OPM services to Federal agencies to meet emerging needs	<u>Goal 4 Description</u> Optimize Agency Performance	<u>Goal 5 Description</u> Additional Mission and Mission Support Activities	<u>Total</u>
Office of the Chief Information Officer	\$0	\$0	\$0	\$11,905,678	\$327,622,631	<b>\$339,528,309</b>
Congressional, Legislative and Intergovernmental Affairs	\$0	\$0	\$0	\$0	\$1,928,000	<b>\$1,928,000</b>
Employee Services	\$10,556,873	\$2,382,094	\$4,808,243	\$0	\$13,014,590	<b>\$30,761,800</b>
Equal Employment Opportunity	\$0	\$0	\$0	\$0	\$1,055,000	<b>\$1,055,000</b>
Facilities, Security & Emergency Management	\$0	\$0	\$0	\$0	\$13,456,761	<b>\$13,456,761</b>
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$176,000	<b>\$176,000</b>
Healthcare & Insurance	\$24,784,380	\$0	\$0	\$0	\$13,128,336	<b>\$37,912,716</b>
HR Solutions	\$1,761,583	\$2,188,379	\$1,833,552	\$0	\$705,123,399	<b>\$710,906,913</b>
Merit System Accountability & Compliance	\$772,320	\$372,125	\$8,212,049	\$0	\$6,125,222	<b>\$15,481,716</b>
Office of Communications	\$0	\$0	\$2,225,000	\$0	\$0	<b>\$2,225,000</b>
Office of Procurement Operations	\$0	\$0	\$0	\$1,772	\$5,538,386	<b>\$5,540,158</b>

	<u>Goal 1 Description</u>	<u>Goal 2 Description</u>	<u>Goal 3 Description</u>	<u>Goal 4 Description</u>	<u>Goal 5 Description</u>	
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	Total
<b>Organization Name</b>						
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$0	\$0	\$423,000	<b>\$423,000</b>
Office of Strategy and Innovation	\$0	\$0	\$0	\$0	\$5,763,500	<b>\$5,763,500</b>
Office of the Chief Financial Officer	\$0	\$163,783	\$0	\$35,392,962	\$94,752,248	<b>\$130,308,993</b>
Office of the Director	\$0	\$4,330,700	\$0	\$0	\$4,637,000	<b>\$8,967,700</b>
Office of the General Counsel	\$0	\$0	\$0	\$0	\$6,220,000	<b>\$6,220,000</b>
Office of Privacy and Information Management	\$0	\$0	\$0	\$0	\$5,435,000	<b>\$5,435,000</b>
OPM Human Resources	\$0	\$0	\$0	\$5,941,324	\$2,150,676	<b>\$8,092,000</b>
Rent/Centrally Funded Items	\$0	\$0	\$0	\$0	\$29,205,000	<b>\$29,205,000</b>
Retirement Services	\$1,654,757	\$0	\$0	\$105,522,331	\$0	<b>\$107,177,088</b>
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$0	\$0	\$0	\$0	\$7,508,000	<b>\$7,508,000</b>
Suitability Executive Agent Programs	\$1,773,251	\$0	\$0	\$0	\$8,060,730	<b>\$9,833,981</b>
White House Fellows	\$0	\$0	\$0	\$0	\$786,000	<b>\$786,000</b>
<b>OPM Total</b>	<b>\$41,303,164</b>	<b>\$9,437,081</b>	<b>\$17,078,844</b>	<b>\$158,764,067</b>	<b>\$1,252,109,479</b>	<b>\$1,478,692,635</b>

\*This table includes the budget administrative activities funded by OPM's Common Services. Financing for Common Services from the Revolving Fund and the OIG is also reflected



## **Additional Mission Activities Aligned to Key Functions**

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. These mandated functions also include programs that benefit the Government at-large, including the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice and operating the President's Commission on White House Fellows.

### **Key Functions**

#### **Human Capital Management Leadership**

##### *Policy*

OPM interprets and enforces governing law and provides policy direction and leadership in designing, developing, and promulgating Government-wide human resources systems, programs, and policies that support the current and emerging needs of Federal agencies. In addition, the agency provides technical support and guidance to agencies on the full range of human resources (HR) management policies and practices, including recruitment, hiring policy and classification, veterans' employment, strategic workforce planning, pay, leave, performance management and recognition, leadership and employee development, diversity and inclusion, work/life/wellness programs, accountability, and labor and employee relations. OPM's leadership in these areas enables the Federal Government to anticipate drivers that will influence and impact the Federal workforce. OPM also responds to agency requests to exercise certain Government-wide personnel management authorities that are centrally administered or subject to OPM approval under law, and oversees the implementation of key Administration priorities and goals concerning Government-wide human capital management matters.

##### *Service*

OPM provides customized human capital and training products and services to Federal agencies to maximize their organizational and individual performance and to drive their mission results. Utilizing the agency's internal human capital experts, shared service providers within Government, and/or Government contractors, OPM's personnel management solutions help agencies design effective organizations, recruit and hire top talent, develop and cultivate leaders, build Federal human resource professional capability, improve the performance management process, and achieve long-lasting human capital results.

OPM provides agencies with access to pre-competed private sector contractors through a unique partnership between OPM and the General Services Administration (GSA), as part of the Government-wide Category Management effort. The private contractors, comprised of large and small companies, complement OPM's internal capabilities in the areas of training and development, human capital management, and organizational performance improvement. OPM's involvement facilitates the delivery of services that are both effective and compliant with operative civil service law.

OPM provides a leadership development continuum that enables Federal executives, managers, and aspiring leaders to acquire knowledge and master skills so they can lead within a rapidly changing Government environment. Anchored by the Federal Executive Institute, OPM's leadership development

infrastructure and programs also include the Eastern and Western Management Development Centers, the Presidential Management Fellows Program, the Federal HR Institute, the Process and Performance Improvement program, the Lab at OPM, and USALearning.

OPM generates Government-wide benefit through Human Resources Information Technology consolidation, standardization, and modernization. OPM offers Federal systems such as Enterprise Human Resource Integration, USA Learning®, USA Staffing®, USA Hire<sup>SM</sup>, and USA Performance®. OPM is also developing the necessary information technology infrastructure to facilitate the exchange of human resources data and information Government-wide, as appropriate. Through its Human Resources Line of Business, OPM leads the Government-wide transformation of human resources information technology by focusing on modernization, integration, and performance assessment.

OPM maintains USAJOBS®, the official job site of the Federal Government. It is the one-stop source for Federal jobs and employment information by which, among other things, Federal agencies meet their legal obligations to provide public notice of Federal employment opportunities to Federal employees and American citizens, and interested citizens find information on these opportunities. The USAJOBS website is the portal for Federal recruitment for most Government positions, whether the positions are in the competitive or excepted service.

### ***Oversight***

Through OPM's oversight evaluation work, special studies, and collaboration with agencies, OPM assesses whether Federal human resources programs and human capital management systems are effective and meet merit system principles and related civil service requirements. OPM works directly with agencies to make improvements or changes to programs that are ineffective, inefficient, or not in compliance with Federal law to help them achieve compliance and mission objectives. OPM also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable appeals, which provide Federal employees with procedural rights to challenge compensation and related agency decisions.

### **Benefits**

#### ***Federal Benefits for Employees and Annuitants***

OPM facilitates access to the high-caliber healthcare and insurance programs offered by the Federal Government, including health insurance, dental and vision insurance, flexible spending accounts, life insurance, and long-term care insurance, making Federal employment more attractive, and thus enabling agencies to compete for good candidates with other potential employers. OPM manages insurance benefits for more than eight million Federal employees, retirees, and their families, and employees of tribes or tribal organizations.

Effective in 2019, OPM also offers dental and vision plans to more than 6.9 million individuals who are eligible as military retirees and their families, members of the Retired Reserve, non-active Medal of Honor recipients, or survivors and family members of active-duty service members. In addition, under

section 713 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019<sup>1</sup>, current TRICARE Dental Program (TDP) beneficiaries, including military reservists and active duty military family members, will become eligible for dental coverage under the Federal Employees Dental and Vision Insurance Program (FEDVIP) starting with the first contract year that begins on or after January 1, 2022.

### ***Retirement***

OPM is responsible for the administration of the Federal Retirement Program covering more than 2.7 million active employees, including the United States Postal Service, and nearly 2.7 million annuitants, survivors, and family members. OPM also administers, develops, and provides Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. Activities include record maintenance and service credit accounts prior to retirement; initial eligibility determinations at retirement; adjudication of annuity benefits based on age and service, disability, or death based on a myriad of statutes and regulations; post-retirement changes due to numerous life events; health and life insurance enrollments; Federal and state tax deductions; as well as other payroll functions.

### **Vetting**

Through FY 2019, OPM was responsible for providing investigative products and services for more than 100 Federal agencies to use as the basis for a variety of adjudicative decisions, including but not limited to security clearance and suitability decisions as required by Federal law. OPM's investigations program focused on continual process improvement through innovation, stakeholder engagement, and agile acquisition strategy. In FY 2020, certain investigative functions previously performed by NBIB moved to the Department of Defense. OPM retains oversight over non-national security investigations.

OPM is also responsible for prescribing suitability, fitness, and credentialing standards for Government employees and contractors and determining investigative standards in conjunction with the Director of National Intelligence. The agency issues guidelines and instructions to the heads of other agencies to promote uniformity and effectiveness when executing their delegated responsibilities, and OPM conducts oversight of agencies' programs and processes in this area. OPM retains jurisdiction of suitability adjudications in circumstances where a Government-wide bar of an individual from Federal service is necessary to promote efficiency and protect the integrity of the service. The agency also provides Government-wide training for investigators and adjudicators that conforms to Government-wide training standards.

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<sup>1</sup> Public Law No. 115-232, available at <https://www.congress.gov/bill/115th-congress/house-bill/5515>

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Additional Mission and Mission Support Activities</b>				
<b>5.1-Additional Mission Activities Aligned to Key Functions</b>			<b>\$883,448,219</b>	<b>668.1</b>
	<b>Office of the Chief Information Officer</b>	Enterprise Human Resources Integration	\$36,696,589	15.0
	<b>Employee Services</b>	Salaries & Expenses	\$9,978,554	55.6
	<b>Federal Prevailing Rate Advisory Committee</b>	Salaries & Expenses	\$11,850	0.0
	<b>Healthcare &amp; Insurance</b>	Trust Fund Annual	\$3,258,620	17.6
		Advances & Reimbursements No Year	\$235,046	0.8
		5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$8,337,254	17.3
		5 U.S.C. § 9004(f)(B) - Long-Term Care	\$991,335	4.8
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$306,081	1.6
	<b>HR Solutions</b>	HRS-Vendor Management	\$33,002,399	15.0
		HRS-Training Services	\$539,501,905	146.0
		HRS-Consulting Services	\$102,384,086	243.0
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$3,098,151	21.2
		Advances & Reimbursements Annual	\$341,716	2.3
		Advances & Reimbursements No Year	\$1,867,000	0.0
	<b>Office of Strategy and Innovation</b>	Salaries & Expenses	\$5,763,500	27.0
	<b>Office of the Chief Financial Officer</b>	Credit Monitoring	\$85,000,000	3.0
	<b>Office of the Director</b>	Common Services	\$871,000	5.0
	<b>Office of the General Counsel</b>	Common Services	\$6,220,000	31.0
	<b>OPM Human Resources</b>	Common Services	\$23,403	0.0
	<b>Rent/Centrally Funded Items</b>	Salaries & Expenses	\$14,996,000	0.0

Strategic Objectives	Organization	Fund	Dollars	FTE
		Trust Fund Annual	\$13,145,000	0.0
		5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$41,000	0.0
		5 U.S.C. § 9004(f)(B) - Long-Term Care	\$9,000	0.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$1,000,000	0.0
		FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
	<b>Security, Suitability and Credentialing Line of Business (SSCLOB)</b>	Salaries & Expenses	\$508,000	0.0
		Advances & Reimbursements Annual	\$7,000,000	11.0
	<b>Suitability Executive Agent Programs</b>	Suitability Executive Agent	\$8,060,730	46.0
	<b>White House Fellows</b>	Salaries & Expenses	\$786,000	5.0
<b>OPM Total</b>			<b>\$883,448,219</b>	<b>668.1</b>



## Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions that do not align directly with a specific strategic goal within the strategic plan.

### Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Additional Mission and Mission Support Activities</b>				
<b>5.2-Additional Mission Support Activities</b>			<b>\$368,661,260</b>	<b>606.4</b>
	<b>Office of the Chief Information Officer</b>	Salaries & Expenses	\$39,948,000	19.0
		Trust Fund Annual	\$50,000	0.0
		Common Services	\$20,288,000	63.8
		Human Resources Tools & Technology	\$83,140,562	161.0
		Advances & Reimbursements Annual	\$144,325,158	91.6
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$3,174,322	0.0
	<b>Congressional, Legislative and Intergovernmental Affairs</b>	Salaries & Expenses	\$1,928,000	12.0
	<b>Employee Services</b>	Salaries & Expenses	\$3,036,036	14.0
	<b>Equal Employment Opportunity</b>	Common Services	\$1,055,000	6.0
	<b>Facilities, Security &amp; Emergency Management</b>	Common Services	\$10,743,000	58.5
		Advances & Reimbursements Annual	\$2,713,761	15.7
	<b>Federal Prevailing Rate Advisory Committee</b>	Salaries & Expenses	\$164,150	1.0
	<b>HR Solutions</b>	Human Resource Solution	\$30,235,009	38.0
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$738,355	3.5
		Advances & Reimbursements No Year	\$80,000	0.0
	<b>Office of Privacy and Information Management</b>	Salaries & Expenses	\$591,000	3.0
		Common Services	\$4,844,000	13.0

Strategic Objectives	Organization	Fund	Dollars	FTE
	<b>Office of Procurement Operations</b>	Salaries & Expenses	\$1,046,228	5.3
		Common Services	\$3,143,000	18.1
		Advances & Reimbursements Annual	\$1,349,158	8.3
	<b>Office of Small and Disadvantaged Business Utilization</b>	Common Services	\$423,000	1.8
	<b>Office of the Chief Financial Officer</b>	Trust Fund Annual	\$7,710,733	37.8
		Common Services	\$841,515	0.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$1,200,000	0.0
	<b>Office of the Director</b>	Salaries & Expenses	\$3,766,000	21.0
	<b>OPM Human Resources</b>	Common Services	\$2,127,273	14.0
<b>OPM Total</b>			<b>\$368,661,260</b>	<b>606.4</b>

\*Objective 1.5 has been discontinued effective FY 2020, as NBIB functions have moved to the Department of Defense.

## Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

### Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	FY 2021 CBJ	
			Dollars	FTE
<b>Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce</b>				
<b>1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner</b>			<b>\$12,447,811</b>	<b>71.6</b>
	Employee Services	Salaries & Expenses	\$8,140,657	44.5
	HR Solutions	HRS-Consulting Services	\$1,761,583	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$772,320	5.1
	Suitability Executive Agent Programs	Suitability Executive Agent	\$1,773,251	10.0
<b>1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets</b>			<b>\$2,416,216</b>	<b>12.0</b>
	Employee Services	Salaries & Expenses	\$2,416,216	12.0
<b>1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform</b>			<b>\$1,654,757</b>	<b>9.0</b>
	Retirement Services	Trust Fund Annual	\$1,075,593	5.9
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$579,164	3.2
<b>1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans</b>			<b>\$24,784,380</b>	<b>125.7</b>
	Healthcare & Insurance	Trust Fund Annual	\$24,784,380	125.7
<b>1.5-Transform the background investigation process to improve investigation timeliness</b>			<b>\$0</b>	<b>0.0</b>
<b>OPM Total</b>			<b>\$41,303,164</b>	<b>218.3</b>

## **Strategic Objective 1.1: Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner**

**Strategic Objective Owner:** Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES

**Deputy Strategic Objective Owners:** Ana Mazzi, Deputy Associate Director, MSAC; Dianna Saxman, Deputy Associate Director, Federal Staffing Group, HRS

### **FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020, ES will leverage opportunities to continually improve hiring by implementing legislative alternatives found within existing law. Research, investigation, and experience have identified several flexibilities within current authorities that are within OPM's purview to incorporate into its administration of the civil service law. These include noncompetitive term-limited appointments of highly qualified experts, expanded flexibility in the selection of candidates from referral list "certificates," expansion of Term/Temporary hiring authorities, and limited noncompetitive hiring of students and recent graduates. As these efforts are made available to agencies, extensive education and support on how to implement these opportunities is needed. In addition, ES issued the final regulation and guidance for delegating the 2210 information technology management occupational series and will continue to provide guidance and in-person support to the Chief Human Capital Officer (CHCO) Council, CIO Council, and HR professionals and managers, on how to use this new delegation. ES will also continue its support of the Cyber Reskilling Academy and its FY 2020 cohort. Further, ES will build upon the prior fiscal year's success, and execute an action plan developed to support the use of a new statutory authority permitting a variation in the number of candidates to be considered at one time, and potential enhancements to the use of category rating.

OPM continuously conducts extensive literature reviews, to include academic and industry research on hiring assessments, job analysis, competency modeling, and talent acquisition. This research, in conjunction with Federal statutes and regulations, is the basis upon which OPM establishes and interprets assessment policy Government-wide. Research has shown that accurate and effective assessments can be instrumental in helping hiring managers identify the best candidates for a position. OPM will continue to work with USDS on the pilots initiated in 2019 - which include components such as the use of SMEs to evaluate specialized skills - to identify additional opportunities for application in the competitive hiring process. In addition, the Guide to Occupational Questionnaires will be published in FY 2020, and ES will provide webinars, trainings, and workshops for agencies in support of implementing the guide. Further, in FY 2020, ES, MSAC, and HRS will continue to discuss (1) assessment strategies to identify talent Government-wide, (2) the use of more effective assessment tools to identify highly qualified applicants, and (3) how to improve the definitions of specialized experience to help agencies screen applicants more effectively and differentiate between highly qualified and less qualified candidates.

Also in FY 2020, SuitEA will continue to work with ES to integrate information needed for vetting into current hiring tools such as USAJOBS and USA Staffing. This integration of information helps to eliminate “stove-piped” processes that increase the time to hire. SuitEA will also work to close existing gaps in vetting processes by issuing comprehensive standards for adjudication of fitness, and will provide expanded training offerings that meet the needs of agencies’ fitness adjudicators.

Further, OPM’s USAJOBS program, which OMB has designated a High Impact Service Provider, will continue to mature its customer experience practices. OPM will focus on customer experience governance, strategy, measurement and organization to continue to improve the customer’s hiring journey from recruitment through onboarding. By the end of FY 2020, USAJOBS intends to deliver a set of customer experience operational measures through a dashboard for OPM’s use so that the investments made to collect user feedback are leveraged to improve the experience. OPM will also host co-design sessions with customers to capture feedback, synthesize the data, and update roadmaps to deliver technical enhancements as well as change management activities to champion change across all stakeholders to improve the end-to-end talent acquisition experience. OPM will deliver two key projects in FY 2020, based upon user feedback. The first project includes developing an eligibility tool for veterans to adjudicate their veterans’ preference in order to reduce the burden needed to understand eligibility, as well as minimize workload for HR specialists to adjudicate a veteran’s eligibility for every application. The second project will improve hiring transparency by adding a job status to the experience. The job status will appear on the job announcement, as well as in the applicant’s dashboard to track progress. USAJOBS will also incorporate the number of total users who applied to the job in the status to provide context on the level of interest in the position.

In FY 2021, ES, in collaboration with MSAC, will continue to research and evaluate legislative avenues to improve both the time to hire and quality of candidates provided to agencies in the hiring process. This will include a reevaluation of the 80-day hiring model, and an exploration of strategies to improve the applicant experience through simplified, streamlined, and automated adjudication of veterans’ preference. SuitEA will work with ES to optimally integrate hiring process improvements with vetting process efficiencies established under the Suitability and Security Executive Agents’ “Trusted Workforce 2.0” initiative. ES, HRS, and MSAC will also advance progress toward the related Cross-Agency Priority Goal to accelerate enterprise-wide reskilling and deploying efforts so the Federal workforce is better aligned to meet the needs of the 21st Century (please refer to the President’s Management Agenda chapter).

**Implementation Organizations:**

ES, MSAC, HRS, and SuitEA

**Performance Measure**

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Hiring manager satisfaction that applicants are referred in a timely manner and with the skills to perform the job	71.5	74.3	73.5	76.8	77.8

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce</b>				
<b>1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner</b>			<b>\$12,447,811</b>	<b>71.6</b>
	<b>Employee Services</b>	Salaries & Expenses	\$8,140,657	44.5
	<b>HR Solutions</b>	HRS-Consulting Services	\$1,761,583	12.0
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$772,320	5.1
	<b>Suitability Executive Agent Programs</b>	Suitability Executive Agent	\$1,773,251	10.0
<b>OPM Total</b>			<b>\$12,447,811</b>	<b>71.6</b>

## Strategic Objective 1.2: Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets

**Strategic Objective Owner:** Brenda Roberts, Deputy Associate Director, Pay & Leave, ES

**Deputy Strategic Objective Owners:** Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES; Tim Curry, Deputy Associate Director, Accountability and Workforce Relations, ES; Laura Lynch, Deputy Associate Director, SES & Performance Management, ES

### FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, ES will refine and enhance legislative, regulatory, and administrative options for reforming Federal compensation and leave benefit systems. ES will provide leadership and assist agencies in implementing and optimizing the use of any new or existing pay and leave authorities and flexibilities to address agency workforce needs. ES will continue to pursue options for establishing special pay systems for critical occupations. OPM will continue to provide staff support to the Federal Salary Council as it develops its recommendations for pay comparability methodology for January 2021 locality adjustments. OPM will continue to work with agencies to develop paid time off options to meet mission needs, such as working with DOD and State to obtain statutory authority for rest and recuperation leave and issuing the final regulations implementing the Administrative Leave Act provisions.

In FY 2021, ES will continue to provide staff support to the President’s Pay Agent as the Administration considers the views of the members of the Federal Salary Council regarding pay and benefits comparability between Federal and non-Federal employers for locality pay in January 2021. OPM will continue to provide staff support to the Federal Salary Council as it develops its recommendations for pay comparability methodology for January 2022 locality adjustments. OPM will explore opportunities for further reform via legislative or regulatory change or expansion of existing special pay systems to additional occupations.

### Implementation Organizations:

ES

### Milestones

Target Completion Date	Description	
FY 2018	Complete a study identifying potential areas of improvement in Federal employee compensation and leave benefits systems	Met
FY 2019	Develop options for reforming Federal employee compensation and leave benefits systems (legislative)	Met
Target Completion Date	Description	
FY 2020	Develop additional options for reforming Federal employee compensation and leave benefits systems (regulatory and administrative)	
FY 2021	Evaluate, adjust, and expand options for reforming Federal employee compensation and leave benefits systems	

**Performance Budget Request by Objective, Organization and Fund–All Resources**

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce</b>				
<b>1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets</b>			<b>\$2,416,216</b>	<b>12.0</b>
	<b>Employee Services</b>	Salaries & Expenses	\$2,416,216	12.0
<b>OPM Total</b>			<b>\$2,416,216</b>	<b>12.0</b>

## **Strategic Objective 1.3: Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform**

**Strategic Objective Owner:** Tia Butler, Deputy Associate Director, RS

**Deputy Strategic Objective Owner:** Ellen Linehan, Group Chief, Retirement Policy, RS

### **FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020 and FY 2021, RS and CLIA will continue to research retirement benefits, identifying ways to reduce the cost and complexity of administering the benefits while continuing to meet the needs and expectations of the Federal workforce. Based on the results of this research, RS and CLIA will develop a legislative strategy, to include additional legislative proposals, that will promote legislative, regulatory, and policy reform aimed at reducing the complexity and cost of administering the Federal retirement program.

### **Implementation Organizations:**

RS and CLIA

### **Milestones**

<b>Target Completion Date</b>	<b>Description</b>	<b>Status</b>
FY 2018	Submit four legislative proposals for transmittal to Congress	Met
FY 2019	Submit two legislative proposals for transmittal to Congress	Met
<b>Target Completion Date</b>	<b>Description</b>	
FY 2020	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance	
FY 2021	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance	

**Performance Budget Request by Objective, Organization and Fund–All Resources**

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce</b>				
<b>1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform</b>			<b>\$1,654,757</b>	<b>9.0</b>
	<b>Retirement Services</b>	Trust Fund Annual	\$1,075,593	5.9
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$579,164	3.2
<b>OPM Total</b>			<b>\$1,654,757</b>	<b>9.0</b>

## **Strategic Objective 1.4: Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans**

**Strategic Objective Owner:** Laurie Bodenheimer, Acting Director, HI

### **FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020, HI will continue its ongoing work on Plan Performance Assessment, including updates to Clinical Quality, Customer Service, and Resource Use (QCR) measures and priority weights. The QCR measure set supports improving clinical quality, population health, and the customer experience. The 2019 Plan Performance Assessment cycle saw an increased average score reported by Carriers on combined QCR measures and OPM anticipates continued improvement from FEHB Program plans.

For the 2020 plan year, HI made 18 new plan options available to Federal employees, annuitants, and their families under the FEHB Program, including two new options under the nationwide Indemnity Benefit Plan, further increasing competition in the Program. To improve quality and affordability, in accordance with OPM policy guidance, by FY 2021, all FEHB Program plans must provide price and quality transparency tools that allow enrollees to make informed healthcare decisions. In addition, in FY 2020, OPM fielded the Federal Employee Benefits Survey to gather information on benefit features that are of particular value to the Federal workforce. The agency will use this information to inform future program planning activities.

HI will also continue its efforts to improve the FEHB enrollment experience. Specifically, HI will set forth regulatory changes and subregulatory guidance needed to allow for centralized enrollment, clarify eligibility requirements, and otherwise enhance the enrollment process. HI will also implement changes to reduce the length and improve readability of the FEHB brochure, and develop improvements to the Healthcare and Insurance section of the OPM website. In addition, HI and OCIO will enhance the capability of the FEHB Data-Hub and Employee Express to receive and process information on enrollees' eligible family members. OPM will also conduct a family member audit to help ensure only eligible individuals are covered under FEHB Program enrollments. Furthermore, OPM will develop strategies to address additional enrollment process improvements identified by FEHB carriers and HR personnel throughout the Federal Government.

In FY 2020 and FY 2021, HI will implement the Agency Priority Goal to establish the FEHB Master Enrollment Index. In FY 2020, HI will expand its receipt and analysis of data from FEHB Carriers and other sources to populate the index.

In FY 2021, HI will implement further improvements to the FEHB brochures and consider whether to develop other consumer-facing plan materials. HI will also provide more consumer-friendly, robust FEHB information on the OPM website. HI will also conduct its annual review of potential updates to Clinical Quality, Customer Service, and Resource Use measures and priority weights under Plan Performance Assessment.

## Implementation Organizations:

HI

### Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of FEHB enrollees in quality affordable plans	74.2%	70.9%	Expected March 2020	72%	73%

### Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans			\$24,784,380	125.7
	Healthcare & Insurance	Trust Fund Annual	\$24,784,380	125.7
<b>OPM Total</b>			<b>\$24,784,380</b>	<b>125.7</b>

## Strategic Objective 1.5: Transform the background investigation process to improve investigation timeliness

This objective was discontinued in 2020, as NBIB functions moved to the Department of Defense.

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### Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.5-Transform the background investigation process to improve investigation timeliness			\$0	0.0
OPM Total			\$0	0.0



## Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions

### Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Lead the establishment and modernization of human capital information technology and data management systems and solutions</b>				
<b>2.1-Improve collection and analysis of data to better inform human capital management decisions</b>			<b>\$2,918,002</b>	<b>15.4</b>
	<b>Employee Services</b>	Salaries & Expenses	\$2,382,094	12.0
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$372,125	2.4
	<b>Office of the Chief Financial Officer</b>	Common Services	\$163,783	1.0
<b>2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022</b>				
	<b>HR Solutions</b>	HRS-Consulting Services	\$2,188,379	3.0
<b>2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements</b>				
	<b>Office of the Director</b>	Salaries & Expenses	\$1,180,700	5.0
		HR Line of Business	\$3,150,000	0.0
<b>OPM Total</b>			<b>\$9,437,081</b>	<b>23.4</b>

## Strategic Objective 2.1: Improve collection and analysis of data to better inform human capital management decisions

**Strategic Objective Owner:** Veronica Villalobos, Principal Deputy Associate Director, ES

### FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, ES, MSAC, and HRS will research and analyze the most current white papers, strategic documents, and emerging thought leader positions on the development of centers of excellence for data analytics and research. In addition, OPM will stand up a research work group to improve Enterprise Human Resources Integration (EHRI) data quality and explore enhanced EHRI and FEVS analytics. It will also work with stakeholders to update the data privacy policy.

In FY 2021, ES will expand the research work group, which includes experts from OSI, ES, MSAC, HRS, as well as other OPM organizations like RS, HI, and SuitEA. The research work group will begin standing up the OPM Human Capital Center of Excellence, with the goal of providing cutting-edge leadership, best practices, and research on Federal HR. The Human Capital Center of Excellence and the OCFO performance team will issue the first OPM learning agenda. The Human Capital Center of Excellence will also lead OPM's 3rd Annual Future of Federal Work Summit.

### Implementation Organizations:

ES, MSAC, OCFO, and OSI

### Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of OPM policies that embed data analysis and research	-*	72.7%	100%	75%	80%

\*No historical data available for this period.

### Milestones

Target Completion		
Date	Description	Status
FY 2019	Finalize OPM's research agenda	Not Met*

\*Due to changes in circumstances related to leadership, staff, and the future direction of analytics teams at the agency, OPM made the recommendation to issue the learning agenda (previously referred to as the research agenda) in FY 2020.

Target Completion		
Date	Description	
FY 2020*	Finalize OPM's research agenda	
FY 2021^	Develop pilot or demonstration projects based on OPM's research agenda	

\*Due to changes in circumstances related to leadership, staff, and the future direction of analytics teams at the agency, OPM made the recommendation to issue the learning agenda (previously referred to as the research agenda) in FY 2020.

^Target completion date has been revised to FY 2021.

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Lead the establishment and modernization of human capital information technology and data management systems and solutions</b>				
<b>2.1-Improve collection and analysis of data to better inform human capital management decisions</b>			<b>\$2,918,002</b>	<b>15.4</b>
	<b>Employee Services</b>	Salaries & Expenses	\$2,382,094	12.0
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$372,125	2.4
	<b>Office of the Chief Financial Officer</b>	Common Services	\$163,783	1.0
<b>OPM Total</b>			<b>\$2,918,002</b>	<b>15.4</b>

## Strategic Objective 2.2: Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022

**Strategic Objective Owner:** Reginald Brown, Principal Deputy Associate Director, HRS

### FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, the HRLOB plans to complete, and receive OPM approval of the Human Capital Federal Integrated Business Framework standards for Employee Relations and Continuous Vetting, Labor Relations, and Agency Human Capital Evaluation.

In FY 2020-2021, HRS will advance evolution of the USA Suite components to enterprise-class solutions that integrate across the planned human capital management IT ecosystem, provide a unified user experience with multi-factor/single sign-on, adopt cloud characteristics, and implement an initial set of advanced technologies such as talent analytics, robotic process automation, artificial intelligence/machine learning, and/or mobile capabilities.

### Implementation Organizations:

HRS

### Milestones

Target Completion Date	Description	Status
FY 2018	Complete Human Capital Federal Integrated Business Framework standards for all Talent Management Functions (Talent Acquisition, Talent Development, Employee Performance Management, Compensation and Benefits, and Separation and Retirement)	Met
FY 2019	Make the USAService SaaS solutions available on a FedRamp “high” cloud available to agencies for the complete talent management lifecycle	Met
FY 2019	Make one-two additional SaaS solutions available on a FedRamp “high” cloud to agencies for the complete talent management lifecycle	Met
FY 2019	Complete and approve the Agency HC Strategy, Policies, and Operation Human Capital-Federal Integrated Business Framework	Not Met
FY 2019	Complete and approve the Workforce Analytics and Employee Records Human Capital-Federal Integrated Business Framework	Not Met
FY 2020	Complete and approve the Employee Relations and Continuous Vetting, Labor Relations, and Human Capital-Federal Integrated Business Framework	Not Met
FY 2021	Deploy an API-based integration solution that seamlessly connects the USA Suite components to each other and to external providers participants in the human capital management ecosystem that the USA Suite interacts with and statistical agencies that consume OPM’s data	Not Met

**Note:** The following FY 2020 milestones were dropped in June 2019, as they were smaller components of the same product.

- Complete and approve the Employee Relations and Continuous Vetting Human Capital-Federal Integrated Business Framework
- Complete and approve the Labor Relations Human Capital-Federal Integrated Business Framework
- Complete and approve the Agency Human Capital Evaluation Human Capital-Federal Integrated Business Framework

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022			\$2,188,379	3.0
	HR Solutions	HRS-Consulting Services	\$2,188,379	3.0
<b>OPM Total</b>			<b>\$2,188,379</b>	<b>3.0</b>

## **Objective: 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements**

**Strategic Objective Owner:** Jeffrey S. Pollack, Program Manager, HRLOB

**Deputy Strategic Objective Owners:** Veronica Villalobos, Principal Deputy Associate Director, ES

### **FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020, OPM will continue to grow and refine the Human Capital Information Model Federal Human Capital Data Standard. While OPM covered "Federal Talent Management" (A2 through A6 of the Business Reference Model) at a wide breadth in FY 2019, it did not go deeper into each function. In FY 2020, the agency will expand on previously covered functions while also capturing more of the Business Reference Model (A1 and A7-A10).

In collaboration with a Multi-agency Executive Strategy Committee, OPM will begin to socialize the standard and implement it Government-wide. The HRLOB in conjunction with OPIM, will assist OPM program offices with compliance with privacy and data protection rules, and develop guidance and education aids so that implementers can adopt the standard.

The HRLOB will also work to develop a Federal Employee Information Standard, known as the Human Capital Information Model (HCIM), which will frame the data that defines an employee.

In FY 2021, the HRLOB, in collaboration with a Multi-agency Executive Strategy Committee and the GSA CIO, will socialize and initiate a Government-wide, centralized employee data repository with the Federal Human Capital Data Standard and Federal Employee Information Standard as its core. The HRLOB, in conjunction with OPIM, will assist OPM program offices with compliance with Federal privacy and data protection rules, and develop guidance and education aids, so that implementers can access the data repository. Further, HRLOB will engage users, stakeholders, and program offices, and based upon their feedback, build out the initial analytical capabilities.

### **Implementation Organization:**

HRLOB

### **Milestones**

Target Completion Date	Description	Status
FY 2018	Release alpha version of Employee Digital Record data standard (Payroll and Time & Attendance)	Met
FY 2018	Release beta version of Employee Digital Record data standard (Payroll and Time & Attendance)	Met
FY 2018	Release first version of Employee Digital Record data standard so that the HR community can speak a common language	Met
FY 2018	Analyze privacy metadata and prioritize privacy integration	N/A
FY 2018	Establish Data Review Board so that OPM leadership demonstrates and executes on the importance of data	Met

Target Completion Date	Description	Status
FY 2018	Establish Executive Steering Committee so that executive leadership are aware, informed, and in-sync with the future strategic and tactical vision of Employee Digital Record	Met
FY 2018	Establish data feeds based on Employee Digital Record data standards	N/A
FY 2018	Design and prototype state of the art data exchange protocol	Met
FY 2019	Integrate initial privacy content into Human Capital Information Model so that data can be smartly designed and securely shared	N/A
FY 2019	Stand up initial data repository so that other agencies and industry can interoperate and use the data standard	N/A
FY 2019	Build and provide a state of the art data exchange platform	N/A
FY 2019	Socialize initial data integration with providers	Met

Target Completion Date	Description
FY 2020	Release Federal integrated data standards
FY 2021	Integrate Federal Employee Information Standard in Government-wide data repository

### Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Lead the establishment and modernization of human capital information technology and data management systems and solutions</b>				
<b>2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements</b>			<b>\$4,330,700</b>	<b>5.0</b>
	<b>Office of the Director</b>	Salaries & Expenses	\$1,180,700	5.0
		HR Line of Business	\$3,150,000	0.0
<b>OPM Total</b>			<b>\$4,330,700</b>	<b>5.0</b>



## Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs

### Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Improve integration and communication of OPM services to Federal agencies to meet emerging needs</b>				
<b>3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives</b>			<b>\$14,661,590</b>	<b>92.5</b>
	<b>Employee Services</b>	Salaries & Expenses	\$4,808,243	29.0
	<b>HR Solutions</b>	HRS-Training Services	\$1,833,552	12.0
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$8,019,795	51.5
<b>3.2-Achieve recognition as the trusted human capital management advisor</b>			<b>\$2,417,254</b>	<b>12.2</b>
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$192,254	1.2
	<b>Office of Communications</b>	Salaries & Expenses	\$2,225,000	11.0
<b>OPM Total</b>			<b>\$17,078,844</b>	<b>104.7</b>

## Strategic Objective 3.1: Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives

**Strategic Objective Owner:** Ana Mazzi, Principal Deputy Associate Director, MSAC

**Deputy Strategic Objective Owners:** Veronica Villalobos, Principal Deputy Associate Director, ES; Reginald Brown, Principal Deputy Associate Director, HRS

### FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, MSAC, ES, and HRS will collaborate to produce full Customer Personas – a unified knowledge profile of each cabinet agency. Personas will provide a customer-perspective approach for OPM to engage with agencies, using data developed by all three organizations to create a real-time representation of the agency's workforce, human capital needs, and interests. OPM will conduct annual Human Capital Reviews with all 24 CHCO agencies to identify new criteria for the assessment to inform the Federal Workforce Priorities Report. OPM will develop guidance to socialize the four-year cycle for completing the reviews annually. OPM will track the results of monthly collaboration meetings to determine effectiveness in improving collaboration of program/group managers in MSAC, ES, and HRS.

In FY 2021, MSAC and ES, in collaboration with HRS, will produce materials for new supervisors to contribute to "orientation" and build a culture of collaboration. OPM will implement the four-year cycle of Human Capital Review activities developed in FY 2020.

### Implementation Organizations:

ES, MSAC, and HRS

### Performance Measure

Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Result	Result	Result	Target	Target
Percent of users who agree OPM human capital services are helpful in achieving human capital objectives	-*	86.5%^	83.1%	88.8%	89.8%

\* No historical data available for this period.

^ Result revised from 88.0 percent in June 2019.

## Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$14,661,590	92.5
	Employee Services	Salaries & Expenses	\$4,808,243	29.0
	HR Solutions	HRS-Training Services	\$1,833,552	12.0

Strategic Objectives	Organization	Fund	Dollars	FTE
	<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$8,019,795	51.5
<b>OPM Total</b>			<b>\$14,661,590</b>	<b>92.5</b>

## Strategic Objective 3.2: Achieve recognition as the trusted human capital management advisor

**Strategic Objective Owner:** Anthony Marucci, Director, OC

**Deputy Strategic Objective Owner:** David Spinale, Senior Advisor to the Director, OD

### FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, OC will implement a new communications approach for the CHCOs and the press based on the qualitative research conducted in FY 2019. OC will launch a communications campaign around this new approach targeted to all of OPM’s audiences, including the Federal workforce.

In FY 2020-2021, OC will maintain, evaluate, and refine these plans, which will include CHCO Council meetings, press conferences, videos, and other mediums to update and advise its audiences. OC will also work with CLIA to develop communications for the Congress. MSAC will collaborate with the Objective 3.2 team to promote coordination with Objective 3.1.

### Implementation Organizations:

OC and MSAC

### Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of the Federal human capital management community satisfied with OPM's services and guidance	-*	-*	-*	Establish Baseline	Establish Baseline

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives		Dollars	FTE
<b>Improve integration and communication of OPM services to Federal agencies to meet emerging needs</b>			
<b>3.2-Achieve recognition as the trusted human capital management advisor</b>		<b>\$2,417,254</b>	<b>12.2</b>
<b>Merit System Accountability &amp; Compliance</b>	Salaries & Expenses	\$192,254	1.2
<b>Office of Communications</b>	Salaries & Expenses	\$2,225,000	11.0
<b>OPM Total</b>		<b>\$2,417,254</b>	<b>12.2</b>

## Strategic Goal 4: Optimize agency performance

### Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Optimize Agency Performance</b>				
<b>4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points</b>			<b>\$2,448,110</b>	<b>1.0</b>
	<b>Office of the Chief Information Officer</b>	Salaries & Expenses	\$725,000	0.0
		Common Services	\$1,500,000	0.0
	<b>Office of the Chief Financial Officer</b>	Common Services	\$223,110	1.0
<b>4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points</b>			<b>\$1,120,618</b>	<b>5.5</b>
	<b>OPM Human Resources</b>	Common Services	\$1,120,618	5.5
<b>4.3-Exceed the Government-wide average satisfaction score for each agency mission support service</b>			<b>\$40,992,330</b>	<b>88.2</b>
	<b>Office of the Chief Information Officer</b>	Salaries & Expenses	\$1,000,000	0.0
	<b>Office of Procurement Operations</b>	Salaries & Expenses	\$1,772	0.0
	<b>Office of the Chief Financial Officer</b>	Salaries & Expenses	\$780,000	0.0
		IT Modernization S&E	\$8,811,000	6.7
		Trust Fund Annual	\$625,267	2.6
		Common Services	\$14,906,592	54.0
		Advances & Reimbursements Annual	\$10,046,993	8.9
	<b>OPM Human Resources</b>	Common Services	\$4,820,706	16.0
<b>4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less</b>			<b>\$114,203,009</b>	<b>971.4</b>
	<b>Office of the Chief Information Officer</b>	Trust Fund Annual	\$8,368,000	31.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$312,678	2.0
	<b>Retirement Services</b>	Trust Fund Annual	\$60,286,407	519.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$44,018,210	409.4
		FERCCA (P.L. 106-265) - Retirement	\$1,217,714	10.0
<b>OPM Total</b>			<b>\$158,764,067</b>	<b>1,066.1</b>

## **Strategic Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points**

**Strategic Objective Owner:** Lisa Loss, Director, Suitability Executive Agent Programs

**Deputy Strategic Objective Owners:** David Nesting, Deputy Chief Information Officer, OCIO; Lori Giblin, Chief, Risk Management and Internal Controls, OCFO

### **FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020, OCIO will conclude its initial deployment of collaboration tools and deploy a training and maintenance schedule for these tools. OCIO will also explore opportunities for OPM to improve managing communications within and across its programs virtually.

OCFO will continue to maintain a transition risk register to inform leadership decisions and lead efforts to build out and deploy the Enterprise Risk Management program as a mechanism for enhanced communication, understanding, and management of corporate risk. In conjunction with OPM’s Risk Management Council, OCFO will develop a prioritized schedule for deployment of the Enterprise Risk Management program across OPM programs beginning in FY 2020. To support the deployment, OCFO will acquire and begin implementation of an Enterprise Risk Management automated tool in FY 2020. Also in FY 2020, OCFO will work with the Risk Management Council to update and enhance the Enterprise Risk Management communications plan, which will be executed throughout deployment of Enterprise Risk Management to OPM’s program and mission support offices.

OPM’s Performance Review Board will continue using the corporate citizenship element of senior leaders’ performance agreements to assess senior leader performance. OPM’s Executive Resources Board, informed by the Performance Review Board, will assess the effectiveness of the FY 2019 pilot of a corporate performance score for senior leaders’ performance agreements to identify whether there is a continued need for a corporate performance scoring process to hold leaders accountable.

OPM will continue to identify and execute mechanisms to make the workforce aware of efforts among OPM’s senior leaders to improve communication, collaboration, and transparency. OPM’s Office of Communications will continue to utilize the Intranet home page for communication and transparency with OPM employees.

In FY 2021, OPM will continue to institutionalize the initiatives begun in FY 2019 and FY 2020. OPM’s OCIO will begin acquisition of any additional tools identified in its FY 2020 exploration of improvements to OPM’s virtual communications capabilities. OCFO will conclude deployment of Enterprise Risk Management across all OPM programs and assess the success of implementation efforts in order to target areas where additional guidance is needed. OPM will continue to execute mechanisms for communication with the workforce and collaboration among senior leaders.

**Implementation Organizations:**

OCIO and OCFO

**Performance Measure**

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Collaborative Management Score	61.5%	61.6%	65.1%	63.5%	64.5%
Collaborative Management Score (Managers and Supervisors)	84.9%	80.7%	75.9%	81.7%	82.7%

**Performance Budget Request by Objective, Organization and Fund–All Resources**

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Optimize Agency Performance</b>				
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points			\$2,448,110	1.0
	Office of the Chief Information Officer	Salaries & Expenses	\$725,000	0.0
		Common Services	\$1,500,000	0.0
	Office of the Chief Financial Officer	Common Services	\$223,110	1.0
<b>OPM Total</b>			<b>\$2,448,110</b>	<b>1.0</b>

**Strategic Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points**

**Strategic Objective Owner:** Tyshawn Thomas, Acting Chief Human Capital Officer, OPM HR

**Deputy Strategic Objective Owner:** Suzanne Logan, Deputy Associate Director and Federal Executive Institute Director, Center for Leadership Development, HRS

**FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020 and FY 2021, OPM HR will continue to review and update policies where needed, assist supervisors in understanding performance standards, provide reporting to agency leadership on performance improvement plan issuances and completions, and offer training to supporting human resources staff on performance management. Further, OPM HR will continue communications strategies established in FY 2018 and FY 2019, such as quarterly notices to supervisors regarding employee relations points of contact for addressing performance/conduct issues. OPM HR will also continue the employee relations accessibility and satisfaction survey biannually.

**Implementation Organizations:**

OPM HR

**Performance Measure**

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of employees satisfied with steps taken to address poor performance	43.9%	45.4%	46.5%	45.8%	45.8%

**Performance Budget Request by Objective, Organization and Fund–All Resources**

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Optimize Agency Performance</b>				
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points			\$1,120,618	5.5
	OPM Human Resources	Common Services	\$1,120,618	5.5
<b>OPM Total</b>			<b>\$1,120,618</b>	<b>5.5</b>

## **Strategic Objective 4.3: Exceed the Government-wide average satisfaction score for each agency mission support service**

**Strategic Objective Owner:** Dennis Coleman, Chief Financial Officer, OCFO

**Deputy Strategic Objective Owners:** Clare Martorana, Chief Information Officer, OCIO; Tyshawn Thomas, Acting Chief Human Capital Officer, OPM HR; Nicole Evans, Senior Procurement Executive and Acting Director, OPO; Mark Lambert, Acting Director, FSEM

### **FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FY 2020-2021, OPM mission support offices will implement strategies focused on improving service delivery in each area.

In FY 2020, OCIO will procure a new mainframe and migrate out of the Theodore Roosevelt Building data center. OCIO will also have fully tested disaster recovery and continuity of business operations in place. OCIO will roll out a laptop refresh to approximately half of OPM's employees, and will have a majority of the agency's workforce on a four-year refresh cycle. Also in FY 2020, OCIO will migrate to Office 365, which includes cloud email adoption, which will result in greater stability, efficiency, and security. It also includes communication and collaboration tools to support team productivity. In addition, OCIO will complete the separation of systems supporting the former National Background Investigation Bureau from the OPM mainframe. Further, OCIO will pursue an interagency agreement to replace the agency's document management system.

OCFO will complete the migration of OPM's administrative financial system to a Federal shared services provider. Further, OCFO will continue to enhance the Budget Management System with budget execution, performance management, and dashboard capabilities. The Trust Funds Modernization Program will launch Online Bill Pay to expand payment options for participants and significantly reduce the number of manual checks processed within Trust Funds. OPM's Cost Accounting Program will continue to build on improving program cost information, focus on areas where programs can address new business challenges with cost transparency, and expand use cases throughout OPM programs. By the end of FY 2020, two full years of cost data will be available for decision making.

OPM HR will focus its customer service efforts on areas with which customers are less familiar, including benefits, work-life, and training.

FSEM will fully deploy two computer aided facility management software modules that will increase the efficiency of space planning and assembly space reservations, and provide an inventory of agency personal property.

OPO will continue its Requirements Design Studio initiative, a partnership with the Lab at OPM and seven program offices that will train an intra-agency team of experts in applying human-centered design to the requirements development process. OPO will also continue to hold monthly Executive Steering Group meetings to review critical procurement priorities and improve procurement planning and execution.

By the end of FY 2021, OCIO will have all of OPM’s employees on a four-year laptop refresh cycle. OCIO will also begin modernization of legacy applications built in older environments, with a component by component rewrite of remaining OPM business systems and applications using modern technology best practices. OCIO will continue to improve internal tools and systems for increased productivity and efficiency for OPM business operations, while continuing to upgrade its security posture.

In FY 2021, the Trust Funds Modernization Program will complete the final configuration and testing required to deploy Core Financial Management and Investment Management in FY 2022. The Trust Fund Modernization Program will also conduct training, develop new operating procedures, and execute communication strategies designed to support the new systems and business processes.

OPM HR will focus on providing monthly status briefings to programs on OPM HR services.

Contingent upon the OCIO system’s ability to integrate with the computer-aided facility management system, FSEM will use information provided by OPM HR and OCIO to provide real time data. FSEM will request access to the OCIO system to track personal property inventory.

OCFO plans to make improvements to systems that it owns and OPO uses, which will reduce manual processing, increase automation, improve reconciliation of procurement actions, and improve the processing time for contracts. OPO will also continue to provide outreach and acquisition planning training to agency programs.

**Implementation Organizations:**

OCFO, OCIO, OPO, OPM HR, and FSEM

**Performance Measures**

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Average satisfaction score for financial management quality from OPM senior supervisory employees	4.70	4.88	5.01	5.0	5.1
Average satisfaction score for human capital services quality from OPM senior supervisory employees	5.09	4.67	4.83	≥ Government-wide Average^	≥ Government-wide Average^
Average satisfaction score for information technology services quality from OPM senior supervisory employees	3.99	4.44	4.65	4.8	5.0
Average satisfaction score for contracting services quality from OPM senior supervisory employees	4.35	3.94	4.64	4.9	4.9
Percent of OPM employees satisfied with real property services at OPM's largest nine buildings	49.6%	53.4%	60.9%	52%	52%

^ Satisfaction with OPM HR currently exceeds the Government-wide average. OPM aims to exceed the Government-wide average for all mission support functions by FY 2022.

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Optimize Agency Performance</b>				
<b>4.3-Exceed the Government-wide average satisfaction score for each agency mission support service</b>			<b>\$40,992,330</b>	<b>88.2</b>
	<b>Office of the Chief Information Officer</b>	Salaries & Expenses	\$1,000,000	0.0
	<b>Office of Procurement Operations</b>	Salaries & Expenses	\$1,772	0.0
	<b>Office of the Chief Financial Officer</b>	Salaries & Expenses	\$780,000	0.0
		IT Modernization S&E	\$8,811,000	6.7
		Trust Fund Annual	\$625,267	2.6
		Common Services	\$14,906,592	54.0
		Advances & Reimbursements Annual	\$10,046,993	8.9
	<b>OPM Human Resources</b>	Common Services	\$4,820,706	16.0
<b>OPM Total</b>			<b>\$40,992,330</b>	<b>88.2</b>

**Strategic Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less**

**Strategic Objective Owner:** Nicholas Ashenden, Deputy Associate Director, RS

**Deputy Strategic Objective Owner:** Robert Lorish, Program Manager, RS; Clare Martorana, Chief Information Officer, OCIO

**FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:**

In FYs 2020 - 2021, RS will continue to integrate process improvements for enhancing customer service and improving overall timeliness of survivor and claims processing. As part of the overall customer experience CAP goal in the President's Management Agenda, RS will continue to collect and analyze quarterly customer experience data to identify areas for improvement. Further, RS will identify additional customer feedback data collection points that would be closer to the time of transaction and available to managers more frequently. RS will also enhance reporting tools to monitor and forecast workloads. In addition, RS will continue to develop and update standard operating procedures across retirement operations based on newly implemented process improvements. RS will also effectively use overtime to achieve performance targets. RS will continue to cross-train Retirement Information Office personnel to increase the number of customer requests resolved during the first call. Further, RS will work with OCIO to investigate technological capabilities to continue to improve processing time and reduce wait times. RS will develop a prototype for the Online Retirement Application. Through continued improvements in timeliness and customer service, RS expects to receive fewer congressional inquiries. Also, RS will continue to provide Federal retirement policy technical assistance to all OPM offices and the Congress. RS will also perform ongoing audits of agency retirement application submissions, provide monthly feedback to agencies and payroll offices, and alert agencies of any trends and improvement opportunities. Further, RS will identify training needs for agencies, develop job aids and on-line training modules, and conduct workshops on the retirement application process.

**Implementation Organizations:**

RS and OCIO

**Performance Measures**

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Average number of minutes to answer phone calls	17.7	8.60	6.60	5	5
Average number of days to process retirement cases	67.0	58.6	55.7	60	60

## Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
<b>Optimize Agency Performance</b>				
<b>4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less</b>			<b>\$114,203,009</b>	<b>971.4</b>
	<b>Office of the Chief Information Officer</b>	Trust Fund Annual	\$8,368,000	31.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$312,678	2.0
	<b>Retirement Services</b>	Trust Fund Annual	\$60,286,407	519.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$44,018,210	409.4
		FERCCA (P.L. 106-265) - Retirement	\$1,217,714	10.0
<b>OPM Total</b>			<b>\$114,203,009</b>	<b>971.4</b>



# Earned Benefits Trust Funds

The Office of Personnel Management (OPM) administers the following Earned Benefits Trust Funds:

- FEHB – Federal Employees Health Benefits;
- FEGLI – Federal Employees’ Group Life Insurance;
- CSRDF – Civil Service Retirement and Disability Fund;
- PSRHB – Postal Service Retiree Health Benefits; and
- FSAFEDS – The Federal Flexible Spending Account Program.

These trust funds are among the largest held by the United States Government. For FY 2021, the net assets combined are estimated to total approximately \$1.1 trillion, receipts are estimated to total \$182 billion, and outlays are estimated to total \$161 billion. These trust funds will finance the retirement program for approximately 2.4 million Federal civilian employees, and provide retirement benefits for more than 2.8 million retirees and survivors, finance the health insurance for approximately 4.2 million employees, retirees, and their families, and provide life insurance coverage for an estimated 4.2 million employees and retirees.

## FY 2021 All Earned Benefits Funds (millions)

	CSRDF	FEHB/REHB	FEGLI	PSRHF	FSAFEDS	TOTAL
FY 2021 Estimated Start of Year Fund Balance	\$968,096	\$26,031	\$48,278	\$41,845	\$67	\$1,084,317
FY 2021 Estimated Receipts	\$115,133	\$60,583	\$4,806	\$1,030	\$22	\$181,574
FY 2021 Estimated Outlays	\$93,797	\$59,196	\$3,444	\$4,139	\$19	\$160,595
FY 2021 Estimated End of Year Fund Balance	\$989,432	\$27,418	\$49,640	\$38,736	\$70	\$1,105,296
FY 2021 Estimated Participants:						
Actives (Millions)	2,423	2,165	2,535			
Annuitants (Millions)	2,778	1,986	1,723			

## Trust Fund Financing

A key component of OPM’s mission is to administer retirement, health benefits, long-term care insurance, life insurance, dental and vision benefits, and flexible spending accounts for Federal employees, retirees, and their beneficiaries and to maintain the integrity of these programs. The table below highlights the estimated receipts and outlays for the Federal health benefit fund.

## Employee Health Benefits Fund & Retired Employees Health Benefits Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$24,606	\$24,895	\$26,031	\$1,136
Receipts from the Public	\$16,627	\$17,833	\$18,557	\$724

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Receipts from Federal Sources	\$38,375	\$40,045	\$41,497	\$1,452
Interest Earnings	\$573	\$587	\$529	(\$58)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$55,286	\$57,329	\$59,196	\$1,867
<b>End of Year Balance</b>	<b>\$24,895</b>	<b>\$26,031</b>	<b>\$27,418</b>	<b>\$1,387</b>

### Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a revolving Trust Fund created by the Federal Employees Health Benefits Act of 1959. It finances the largest employer-sponsored group health insurance program in the world. The fund exists to collect and disburse health insurance premiums to private insurers who participate in the FEHB Program and to maintain program reserves. Federal employees can choose from among Fee-for-Service (FFS) plans, or Health Maintenance Organizations (HMO) plans. The number and type of plans available vary by region or locality.

#### The FEHB fund provides for the cost of health benefits for:

- active employees;
- employees who retired after June 1960, or their survivors;
- annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law (P.L.) 93-246;
- employees of tribal organizations covered under the Indian Health Care Improvement Reauthorization Act;
- Family members of employees and annuitants; and
- OPM expenses to administer the program.

### Retired Employees Health Benefits Fund

The Retired Employees Health Benefits (REHB) Fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for the costs of:

- retired employees and survivors who were enrolled in a Government-sponsored uniform health benefits plan;
- Government contributions to retired employees and survivors who retain or purchase private health insurance; and
- OPM expenses to administer the program.

The REHB program is closed to new enrollees and its enrolled population is dwindling. The projected population is approximately 111 for FY 2020 and approximately 92 for FY 2021.

The FEHB and REHB funds are financed by:

- premium withholdings from active employees and annuitants;

- agency contributions to premiums for active employees;
- Government contributions to premiums for annuitants;
- premium collections from tribal organizations and employees; and
- contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508.

OPM maintains a contingency reserve that is funded by employee and Government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause, such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

### Federal Employees Health Benefits Fund – Legislative Proposals

The FY 2021 Budget contains legislative proposals designed to enhance and improve the program, as well as reduce overall costs for the Government. These proposals are the *Government Contribution Adjustment Based on Plan Performance Assessment* and the *Medical Liability Reform*. The proposal to modify the Government contribution rate based on plan performance would improve healthcare quality and affordability in the FEHB Program. Please refer to the Legislative Proposal section for more details on all of the FEHB proposals.

### Employees Life Insurance Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$45,538	\$46,826	\$48,278	\$1,452
Receipts from the Public	\$3,016	\$3,120	\$3,187	\$67
Receipts from Federal Sources	\$593	\$595	\$607	\$12
Interest Earnings	\$933	\$1,087	\$1,012	(\$75)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$3,254	\$3,350	\$3,444	\$94
<b>End of Year Balance</b>	<b>\$46,826</b>	<b>\$48,278</b>	<b>\$49,640</b>	<b>\$1,362</b>

The FEGLI fund finances payments for Federal Employees' Group Life Insurance. FEGLI was established by the passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. FEGLI is group term life insurance, meaning it does not build cash values or paid-up insurance values. The cost of Basic Insurance coverage is shared by non-Postal employees (2/3), and the Federal Government (1/3). Optional and certain post-retirement basic coverage are paid entirely by enrollees.

The FEGLI program is an employer-sponsored life insurance Trust Fund program. This program provides benefit payments to beneficiaries following the death of employees, retired employees, and eligible family members. Employees also have an additional accidental death and dismemberment benefit. It is the largest group life insurance program in the world, covering more than four million Federal employees and retirees, and many of their family members. The above table highlights the estimated receipts and outlays for the Federal life insurance fund.

### Civil Service Retirement and Disability Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$931,783	\$948,595	\$968,096	\$19,501
Receipts from the Public	\$4,733	\$5,176	\$5,512	\$336
Receipts from Federal Sources	\$75,279	\$80,708	\$84,935	\$4,227
Interest Earnings	\$25,557	\$25,430	\$24,686	(\$744)
Total Program Outlays	\$88,757	\$91,813	\$93,797	\$1,984
<b>End of Year Balance</b>	<b>\$948,595</b>	<b>\$968,096</b>	<b>\$989,432</b>	<b>\$21,336</b>

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four trust funds administered by OPM. The fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecasted in advance and must be determined at some future point in time (for example, when actual receipts and expenses become known). The above table highlights the estimated receipts and outlays for the Federal retirement and disability fund.

The CSRDF finances two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. CSRS is largely a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is one element of a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a Thrift Savings Plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS. For FY 2021, it is estimated that employees will contribute approximately \$5.5 billion to finance FERS and CSRS retirement benefits. Those will come in the form of salary withholdings of 0.8 percent for most employees under FERS, a higher withholding rate for RAE/FRAE employees - 3.1/4.4 percent. and seven percent for CSRS.

CSRS has been financed under a statutory funding method passed by the Congress in 1969. This funding method is based on the “static” economic assumptions of no future inflation, no future general schedule salary increases, and a five percent interest rate. Under CSRS, regular employees contribute seven percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra half percent of pay, and members of the Congress an extra one percent of pay. Under the static funding

method for CSRS, the Treasury also pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age normal funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary that is equal to the contribution rate for CSRS employees – 7.0 percent, which is less than the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security.

Effective FY 2020, there was a change in the normal cost rates for Postal FERS Employee/Employer Contributions and Non-Postal FERS Employer Contributions. The Board of Actuaries met on June 1, 2017 and recommended subsequent changes to the actuarial economic assumptions for Non-Postal agencies. Due to revised regulation, the Board established separate demographic and economic assumptions for the United States Postal Service/USPS.

Under FERS, the dynamic normal cost rates for FY 2020 are as follows: Regular FERS Non-Postal employees hired before 2013, the rate is 16.8 percent of pay (employee's share, 0.8 percent, and employer's share, 16.0 percent). Regular FERS Postal employees rate is 15.5 percent of pay (employee's share, 0.8 percent, and employer's share, 14.7 percent); Regular FERS Non-Postal employees hired during 2013 (known as FERS RAE/Revised Annuity Employees), the rate is 17.3 percent of pay (employee's share, 3.1 percent, and employer's share, 14.2 percent); Regular FERS RAE Postal employees rate is 15.9 percent of pay (employee's share, 3.1 percent, and employer's share, 12.8 percent); the Bipartisan Budget Act of 2013 included a provision to increase the normal cost rate of employee's contribution to FERS for individuals hired after 2013 and to maintain the employer's contribution rate at its current normal cost rate. Any contributions in excess of the amount necessary to satisfy FERS normal cost percentage will be credited to the assets of the CSRDF, thereby reducing the unfunded liability of the CSRS. Regular FERS Non-Postal employees hired after 2013 (known as FERS FRAE/Further Revised Annuity Employees), the rate is 17.5 percent of pay (employee's share, 4.4 percent, employer's share, 14.2 percent, and less excess of 1.1 percent to be credited the assets of the CSRDF); Regular FERS FRAE Postal employees rate is 16.1 percent of pay (employee's share, 4.4 percent, and employer's share, 11.7 percent).

An extra 0.5 percent of pay is contributed by law enforcement officers, firefighters, air traffic controllers, congressional employees, and members of the Congress because of earlier retirement eligibility provisions.

Effective FY 2021, the normal cost rates are expected to change again for Postal FERS Employee/Employer Contributions and Non-Postal FERS Employer Contributions. The changes are due to revisions to economic and demographic assumptions recommended at the April 12<sup>th</sup>, 2018, meeting of the CSRS Board of Actuaries. Regular FERS Non-Postal employees (other than RAE and FRAE), the

normal cost rate will be 18.1 percent of pay (employee's share, 0.8 percent, and employer's share, 17.3 percent); Regular FERS Postal employees will be 16.5 percent of pay (employee's share, 0.8 percent, and employer's share, 15.7 percent); FERS RAE Non-Postal employees, the normal cost rate will be 18.6 percent of pay (employee's share, 3.1 percent, and employer's share, 15.5 percent); FERS RAE Postal employees will be 16.9 percent of pay (employee's share, 3.1 percent, and employer's share, 13.8 percent); FERS FRAE Non-Postal employees, the normal cost rate will be 18.8 percent of pay (employee's share, 4.4 percent, employer's share, 15.5 percent, and less excess of 1.1 percent to be credited back to the assets of the CSRDF); FERS FRAE Postal employees will be 17.1 percent of pay (employee's share, 4.4 percent, and employer's share, 12.7 percent).

### **Civil Service Retirement and Disability Fund – Legislative Proposals**

The FY 2021 budget contains four separate legislative proposals that could have an impact on the financing and benefits payable under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The first legislative proposal seeks to provide a source of savings to the Federal government by increasing the receipts to the Civil Service Retirement and Disability Fund (CSRDF) from Federal employees. The remaining legislative proposals seek to provide a source of savings to the Federal Government by reducing the outlays for annuity payments.

- **INCREASE EMPLOYEE CONTRIBUTIONS TO 50 PERCENT OF COST, PHASED IN AT ONE PERCENT PER YEAR** – This proposal would increase Federal employee contributions to the Federal Employees Retirement System (FERS), such that an employee and employer would each pay half of the normal cost. Under current law, most Federal employees contribute between 0.8 percent and 4.4 percent of their salary toward their Federal pension. Some employees subject to special retirement provisions (e.g. law enforcement officers) contribute 4.9 percent of pay under FERS-FRAE. Federal agencies contribute the remainder of the cost. To mitigate the impact on employees, this proposal will be phased in over several years, with individuals contributing an additional one percent of their salary each year until equalized.
- **MODIFY FEDERAL RETIREMENT BENEFITS** – The remaining proposals implement changes to the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS) to bring total compensation more in line with labor markets.
  - One proposal would eliminate cost of living adjustments (COLA) for FERS retirees and would reduce CSRS retiree COLA by 0.5 percent.
  - The proposals would also eliminate the FERS Annuity Supplement for those employees who retire before Social Security eligibility age and change annuity calculations using an employee's highest five consecutive salary years instead of the current average of an employee's three highest salary years.

The employee retirement landscape continues to evolve as private companies are providing less compensation in the form of retirement benefits. The shift away from defined benefit programs and cost of living adjustments for annuitants is part of that evolution. By comparison, the Federal Government continues to offer a very generous package of retirement benefits in the form of deferred compensation.

Consistent with the goal of bringing Federal retirement benefits more in line with the labor market, adjustments to reduce the long-term costs associated with these benefits are included in this proposal. Please refer to the Legislative Proposal section for more details on all of the CSRDF proposals.

### Postal Service Retiree Health Benefits Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$47,145	\$44,611	\$41,845	(\$2,766)
Receipts from the Public (Postal Service)	\$0	\$0	\$0	\$0
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$1,230	\$1,155	\$1,030	(\$125)
Total Program Outlays	\$3,764	\$3,921	\$4,139	\$218
<b>End of Year Balance</b>	<b>\$44,611</b>	<b>\$41,845</b>	<b>\$38,736</b>	<b>(\$3,109)</b>

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L.108–18) that were held in escrow during 2006; 2) payments defined within P.L.109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service. The above table highlights the estimated receipts and outlays for the Postal retiree health benefit fund.

Under the current law, the Postal Service stopped paying annual premium costs to the Employees and Retired Employees Health Benefits Fund for its post-1971 current annuitants. Instead, these premium payments will be paid from amounts that the Postal Service remits to the Postal Service Retiree Health Benefits Fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service continues to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

### Federal Flexible Spending Account Program (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$61	\$65	\$67	\$2
Receipts from the Public	\$12	\$19	\$21	\$2
Receipts from Federal Sources	\$1	\$1	\$1	\$0
Program Obligations (Mandatory)	\$3	\$10	\$10	\$0
Agency Administrator Cost and Program	\$6	\$8	\$9	\$1
<b>End of Year Balance</b>	<b>\$65</b>	<b>\$67</b>	<b>\$70</b>	<b>\$3</b>

The Federal Flexible Spending Account Program (FSAFEDS) is a voluntary tax-advantaged benefit plan established under Section 125 of the Internal Revenue Code. These accounts allow Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. The average person will save about 30 percent on dependent care and health care expenses after taxes.

There are three types of accounts under the FSAFEDS:

1. Health Care Flexible Spending Accounts (HCFSA);
2. Limited Expense Health Care Flexible Spending Account (LEX HCFSA); and
3. Dependent Care Flexible Spending Account (DCFSA).

The funds cannot be transferred between accounts. DCFsAs currently have a minimum annual election of \$100 and \$5,000 maximum. HCFsAs and LEX HCFsAs currently have a minimum annual election of \$100 and \$2,750 maximum. There are currently over 470,000 unique participants in the FSAFEDS program with a little over 441,000 HCFsAs, 10,000 in LEX HCFsAs, and 86,000 in DCFsAs.

The Risk Reserve account contains the accumulated balance of fees which are collected from reserve fees and forfeited funds. The reserve fees are from employing agencies whose employees participate in the FSAFEDS and from forfeitures of these FSAFEDS participants who have unclaimed healthcare balances. The agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to indemnify the FSAFEDS program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (early in the program year). Once account contributions exceed benefits, the FSAFEDS program administrator reimburses the reserve account. Account resources are also used for the agency’s administration of the program. The above table highlights the estimated receipts and obligations for the FSAFEDS.

OPM’s actuaries have determined that the current value of the risk reserve account is more than sufficient to indemnify the program administrator. Since FY 2013, OPM has used risk reserves to offset agency fees paid to the program administrator in order to reduce the surplus balance and meet its target account level.

### Payment Accounts

OPM receives “such sums as necessary” mandatory appropriations for payments from the General Fund to the Civil Service Retirement and Disability Fund, the Employees Health Benefits Fund, and the Employees Group Life Insurance Fund. The purposes and estimated amount of these payments are described in this section.

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### Government Payment for Annuitants, Employees Health Benefits (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Budget Authority	\$13,131	\$13,658	\$14,190	\$532
Obligations	\$13,131	\$13,658	\$14,190	\$532
Outlays	\$13,110	\$13,930	\$14,190	\$260

This appropriation funds the Government’s share of health benefit costs for annuitants and survivors. OPM requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. This appropriation covers:

- the Government’s share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of Title 5, United States Code;
- the Government’s share of the cost of health insurance for annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and
- the Government’s contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

For FY 2021, budget authority and obligations will increase by \$532 million due to projected growth in the cost of health insurance and in the number of annuitants with FEHB coverage.

Funds appropriated to this account remain available until expended for the purpose of funding the Government’s share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer’s share. OPM has the authority to notify the Secretary of the Treasury of “such sums as may be necessary” to carry out these provisions.

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**Government Payment for Annuitants, Employees Life Insurance (millions)**

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Budget Authority	\$42	\$43	\$44	\$1
Obligations	\$42	\$43	\$44	\$1
Outlays	\$42	\$43	\$44	\$1

P.L. 96-427, Federal Employees’ Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who retired on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage (currently \$0.33 per month for each \$1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently \$0.17 per month for each \$1,000 of coverage) for basic coverage for annuitants. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution for annuitants’ post-retirement basic life coverage.

For FY 2021, budget authority and obligations will increase \$1.0 million due to the number of annuitants under age 65 with FEGLI coverage.

Funds appropriated to this account remain available until expended for the sole purpose of financing post-retirement life insurance benefits. OPM notifies the Secretary of the Treasury of “such sums as may be necessary” to carry out these provisions each fiscal year.

## Payment to the Civil Service Retirement and Disability Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Budget Authority	\$43,644	\$44,144	\$44,344	\$200
Obligations	\$43,644	\$44,144	\$44,344	\$200
Outlays	\$43,644	\$44,144	\$44,344	\$200

The Payment to the Civil Service Retirement and Disability Fund (CSRDF) consists of an appropriation and a permanent indefinite authorization to pay the Government’s share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (P.L. 91-93), the Federal Employees Retirement Act of 1986 (P.L. 99-335), and the Civil Service Retirement Spouse Equity Act of 1985 (P.L. 98-615). The payment is made directly from the General Fund of the U.S. Treasury into the Civil Service Retirement and Disability Fund and is in addition to appropriated funds that will be contributed from agency budgets.

## Detail of Payment Account (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Current Appropriation	\$17,229	\$17,000	\$16,600	(\$400)
Permanent Indefinite Authorization	\$26,371	\$27,100	\$27,700	\$600
Payment for Spouse Equity	\$44	\$44	\$44	\$0
<b>Total</b>	<b>\$43,644</b>	<b>\$44,144</b>	<b>\$44,344</b>	<b>\$200</b>

### Current Appropriation: Payment of Government Share of Retirement Costs

P.L. 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments (COLAs). OPM notifies the Secretary of the Treasury each year of “such sums as may be necessary” to carry out these provisions.

### Permanent Indefinite Authorization: Transfers for Interest on Static Unfunded Liability and Payment of Military Service Annuities

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to five percent interest on the Civil Service Retirement System’s current static unfunded liability, which is calculated based on static economic assumptions and annuity disbursements attributable to credit for military service. These values reflect the additional liability for military service credit of former United States Postal Service employees. This provision was enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

For FY 2021, the Permanent Indefinite Authorization will increase \$600 million due to an increase in the amount of interest to be transferred from the Treasury.

### **Payment for Spouse Equity**

P.L. 98-615 provides the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.



# Revolving Fund Activities

Pursuant to Title 5, U.S.C. §1304 (e) (1), OPM is authorized to use Revolving Funds without fiscal year limitations to conduct background investigations, training, and other personnel management services that OPM is authorized or required to perform on a reimbursable basis. Under this guidance, OPM operates several programs, which are funded by fees or reimbursement payments collected from other agencies and other payments.

The following programs are authorized to use Revolving Funds:

- Suitability Executive Agent
- Human Resources Solutions
- Enterprise Human Resources Data Warehouse
- Human Resources Line of Business
- Human Resources Tools & Technology
- Credit Monitoring and Identity Protection Services

The following table discusses the business lines followed by a detailed description of the activities supported by OPM’s Revolving Fund, which is aligned with OPM’s statutory authority.

OPM Budget Authority	FY 2021 CBJ
Suitability Executive Agent	\$9,833,981
Human Resource Solutions	\$710,906,913
Enterprise Human Resources Integration	\$36,696,589
HR Line of Business	\$3,150,000
Human Resources Tools & Technology	\$83,140,562
Credit Monitoring	\$85,000,000
<b>OPM Total</b>	<b>\$928,728,045</b>

## Suitability Executive Agent

The OPM Director is the Suitability and Credentialing Executive Agent (SuitEA), with specific Government-wide responsibilities assigned by statute and Executive Order. These responsibilities are carried out through a policy office responsible for business transformation and modernization of the Government-wide suitability program, supported by an adjudicative operations staff that takes Government-wide actions to promote the efficiency and protect the integrity of Federal agencies’ operations, and an oversight team that conducts assessments of Federal agencies’ performance and makes recommendations for improvement. SuitEA will continue to work with the Performance Accountability Council and the Office of the Director of National Intelligence as the Security Executive Agent in the implementation of the Trusted Workforce 2.0 initiatives to enhance standards for suitability, fitness, and credentialing (SSC) vetting.

When an applicant or appointee seeking employment with a Federal agency has committed falsification or fraud in the hiring process or has committed pre-employment conduct that is incompatible with the integrity or efficiency of the service, SuitEA may take a Government-wide action to debar the individual from holding any covered position throughout Government for up to three years. Covered positions are those in the competitive service, the excepted service that can non-competitively convert to the competitive service, or a career appointment to the Senior Executive Service. This action promotes the efficiency and integrity of the agency with whom the individuals sought employment as well as all other agencies employing competitive service employees as it prevents or removes an unsuitable individual from placement in a position. SuitEA's adjudicative operations staff reviews investigations submitted by Federal agencies to identify those potentially warranting an action by OPM and gathers evidence needed to take an action and defend it in the event of an appeal to the Merit Systems Protection Board. There is a regulatory time limitation for taking suitability actions which makes it imperative that the cases are identified quickly upon completion. SuitEA conducts supplemental inquiries needed for issue resolution and must gather evidence that meets the requirements established through precedential case law. If the case does not warrant OPM adjudication after issue resolution, SuitEA will send the additional information obtained to the agency for adjudication if appropriate. Similarly, SuitEA reviews OPM-conducted background investigations for positions under OPM's jurisdiction that involve major issues to include material intentional falsification or fraud or deception in examination or appointment. This may include the applicant or appointee who has committed a serious criminal offense or who has submitted altered documents, misrepresented college degrees through the purchase of the degree through a bogus educational institution, or made an intentional misstatement or omission about a material fact on application paperwork. Although agencies should and do make referrals, they rely primarily on SuitEA to review investigations for this purpose. Upon receipt, SuitEA staff will review the case; conduct issue resolution; issue written notification about the issues of concern to the subject of the investigation; process subject requests for the materials relied upon; take suitability actions which may include canceling eligibilities or reinstatement rights, imposing debarment from Federal employment, and/or directing removal; and support the Office of General Counsel when OPM suitability actions are appealed.

SuitEA also develops and offers reimbursable suitability training programs that are compliant with the National Training Standards for Suitability Adjudicators. Delivery of this training to Federal agencies' adjudicators promotes uniform decision making across Government, professional development of the suitability and fitness workforce, and reciprocal recognition of favorable determinations. In FY 2021, SuitEA will incorporate change management philosophies in updating the training approach to support the Trusted Workforce 2.0 vetting program transformation.

SuitEA operates a suitability hotline and email box to provide customer support on technical and interpretative matters related to suitability. SuitEA also maintains a distribution list of agency contacts for regular two-way communication to support Federal agency suitability programs. SuitEA acts on behalf of agencies by providing requirements for the systems used to support position designation, adjudication, and reciprocity management. The National Background Investigations Bureau (NBIB) systems, or its successors, will house much of the information technology that supports OPM's suitability functions. As the background investigation systems are newly built or rebuilt by the Department of

Defense and OPM enhances or builds out human resource systems, SuitEA will provide requirements to meet the needs of security, suitability, and credentialing (SSC) programs, promote accessibility to shared service offerings, and improve information flow to meet the needs of Federal agencies.

In FY 2020, SuitEA led finalization of the roadmap for a transformed Government-wide approach to vetting developed with the Office of the Director of National Intelligence and the Performance Accountability Council as part of the Trusted Workforce 2.0 initiative. We are planning to implement the roadmap in FY 2021 and include implementation of transformational outcome-based investigative and adjudicative standards, as well as training standards and procedures for the new supporting Enterprise architecture. Furthermore, SuitEA will work to implement streamlined vetting-related processes resulting from the Trusted Workforce 2.0 effort, through regulation, guidance and training.

SuitEA will continue to work with ES and HRS to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire.

## **Human Resource Solutions**

### **Administrative Law Judges**

In accordance with Executive Order (E.O.) 13843 entitled “Excepting Administrative Law Judges from the Competitive Service” and the OPM implementing guidance issued on July 10, 2018, OPM terminated the Administrative Law Judge (ALJ) register for any purpose pursuant to 5 U.S.C. 3317 and discontinued the competitive ALJ examination. OPM continues to provide noncompetitive services to 28 agencies employing ALJs Government-wide. These services include processing noncompetitive actions, details, classification, and reviewing vacancy announcements.

ALJ program work is normally performed on a reimbursable, with each ALJ-employing agency making an annual contribution on a pro-rata basis, based upon the proportion of ALJs accounted for by that agency, and using annual estimates for program costs. Costs include direct labor for the ALJ Program Office staff and non-ALJ staff; any additional non-labor expenses needed to run the program, such as travel expenses, incumbent ALJ assistance, facilities, training, etc., and OPM agency overhead. Pursuant to a provision of the Bipartisan Budget Act of 2015, however, SSA has been paying full costs. That provision expires at the end of fiscal year 2022.

### **The Center for Leadership Development (CLD)**

The mission of the Center for Leadership Development (CLD) is to “develop visionary leaders to transform government.” To that end, CLD provides leadership development and professional development programs as well as a number of specific programs that advance public sector transformation and fulfill certain of OPM’s obligations in relation to executive development. These programs are grounded in leadership theory and develop the Executive Core Competencies throughout the continuum of a Federal career. In addition, CLD supports agencies by customizing their individualized learning ecosystems with software solutions including robust learning management systems and quality e-Learning products, information and services that support the development of the Federal workforce and advance the accomplishment of agency missions.

CLD is the only Federal program uniquely designed and focused on providing a career-long Continuum of Leadership and Professional Development to Federal workers which include:

- Open Enrollment Courses and Certificate Programs
- Single Solution programs to meet agency specific needs
- Specific courses focused on improving human performance
- Virtual learning ecosystem to support the human capital lifecycle

CLD's pricing structure covers all applicable direct expenses, indirect CLD costs, and OPM overhead while maintaining competitive prices. Before the beginning of each fiscal year, CLD analyzes the planned delivery schedule for the year, based on past and projected customer needs, and uses prescribed costing tools to determine tuitions for all deliverables. For USALearning®, the costing model is the cost of the services requested plus overhead for administrative and indirect costs.

To meet the government priorities, CLD works through its practice areas in the following ways:

Agency Solutions & Open Enrollment:

*Eastern Management Development Center (EMDC):* provides interagency and single agency open enrollment courses for agency and professional leadership development. EMDC has primary responsibility for the development and delivery of open enrollment courses that represent leadership and executive development solutions. Programs and courses are designed to provide leadership development to government employees at various stages of their Federal careers. Thirty-five EMDC courses address leadership competencies and essential leadership knowledge, skills and abilities. Several EMDC courses meet American Council on Education standards for college credit.

*LEAD Certificate Program:* A key offering of EMDC is the Leadership Education and Development (LEAD) certificate program, which is comprised of core, skill immersion, assessment, and policy courses delivered in the classroom, online, or through blended delivery options. The majority of the EMDC courses are designed to fit into one of five LEAD certificate programs: Team Leader, Supervisor, Manager, Executive, and Professional Leader. Any course may be taken individually or as part of the certificate programs in which it is identified to result in a certification of mastery for the particular leadership level identified by the program name.

*Regional Programs:* Although EMDC courses are delivered predominately in the metropolitan Washington D.C. area, client demand often results in course delivery across the United States wherever a significant number of federal employees are located. To meet that demand, EMDC manages regionally delivered Federal leadership development certificate programs in Utah, Colorado, New Mexico, Oklahoma, Missouri, Massachusetts, Washington, D.C., Texas, and Florida.

*Federal Executive Institute (FEI):* offers open-enrollment (interagency) and custom (single-agency) programs, distance and blended-learning approaches, internal programs and academic

partnerships, and international programs to provide training flexibility for customer agencies while offering a complete range of leadership development courses and programs. FEI is responsible for delivery of residential executive education open enrollment programs at its campus in Charlottesville, Virginia. The primary areas of responsibility for FEI include:

*SES Leading EDGE* Portfolio will continue to offer a Government-wide enterprise onboarding program for new members of the Senior Executive Service (SES) and SES Equivalent communities to include the Government-wide SES Orientation Briefing (a two-day open enrollment program) twice a calendar year in Washington, D.C.) and SES Onboarding Forums focused on accelerating Federal Senior Executive success in the first two to three years (also in Washington D.C.). For Federal Senior Executive continuing development, *FEI SES Leading EDGE* also offers SES Enterprise Leadership Labs in Washington D.C. that update expertise and expand networks to address strategic “hot topics”.

*Leadership for a Democratic Society (LDS)*. FEI will continue to offer its four-week program in residence. Not only is this program the best means of recouping the capital investments that have been made in the FEI campus, but also the program serves as the proving ground for new curriculum and concepts that can then be exported to interagency and single-agency programs in other CLD business lines. The LDS four-week program is offered in four consecutive weeks as well as for two weeks at FEI, a three month return to work, followed by a final two weeks of work at FEI. A mode of delivery will be explored—four days each quarter of the year, with intersession projects between sessions and culminating in a leadership challenge that is completed and debriefed to participants’ senior leadership at graduation. Continued modifications in the teaching and learning methodology as well as the curriculum will allow FEI to reach a wider audience and have a greater influence on 21st Century governance.

*Footprints Series of Programs for LDS Alumni*. FEI will continue to offer limited programs to interagency audiences both at its campus and at other locations across the country exclusively for graduates of the LDS program.

*Custom (Single-Agency) Programs*. In addition to its interagency offerings, FEI will continue to deliver programs designed for specific agency needs such as the multiple programs offered at FEI each year for USAID and for NOAA.

*The Lab at OPM and the Design Lab*: assists agencies to translate the creativity of their employees into innovative problem-solvers, builds human center design capabilities in individuals for use as a problem-solving choice, and works with U.S. government agencies or foreign governments to solve persistent and complex problems with a focus on the people being affected and resulting in new solutions that are tailor made to suit the needs of those people.

*Process and Performance Improvement Program:* OPM's Federal Executive Institute is partnering with the U.S. Army to provide Lean Six Sigma (LSS) Green Belt training for federal staff, which supports the President's Management Agenda and Cross-Agency Priority Goals. This two-week course builds a foundation in LSS's improvement methodologies. Lean Six Sigma are widely-used, disciplined problem solving methodologies, which use a Black Belt facilitator to work with a small team of program staff to streamline and improve the team's work processes, making their work life better while gaining efficiency and effectiveness for agency leadership.

*Federal HR Institute (FHRI):* provides open enrollment human resource skills courses for the professional development of the Federal HR community. FHRI establishes a single, standard learning framework that Federal HR practitioners are expected to use for professional development. It will be the only comprehensive Federal HR development program of its kind. FHRI is developing courseware across all major HR functions--Staffing & Classification, ER/LR, Performance, Benefits, Compensation, HR Development, HR Systems and HR Business Partner. The Federal HR Institute has primary responsibility for the development and delivery of open enrollment courses that represent human resource skill and competency education. These courses are delivered in a balanced mix of online self-directed, technology enabled media and in-person formats for maximum accessibility to the Federal HR Specialist. The in-person courses are delivered in the metropolitan Washington D.C. area and across the United States, wherever a significant number of federal employees are located. The majority of the FHRI courses are designed to fit into one of four levels of intervention—Foundations, Technical, Advisor, and Strategic. They are categorized with tracks for each of the HR professional's job functions. Any course may be taken individually or as part of the program track in which it is identified.

*Western Management Development Center (WMDC):* responsible for the development and delivery of custom leadership solutions. These programs are defined as single agency or community of practice solutions located at WMDC, client location or a neutral location. Solutions and products may include assessments of needs, design and delivery of courses or programs, evaluation of the solution's effectiveness and coaching or mentoring. WMDC has a number of long-standing programs including Department of the Air Force, the Aberdeen Proving Ground Senior Leadership Cohort programs, and the National Security Agency leadership development programs. WMDC partners regularly with other OPM entities and other agencies for combined services and federal spaces.

#### Fellows Programs:

The Presidential Fellows Programs (PFP) currently provides two programs, both through which outstanding American citizens are provided opportunities to serve their country in challenging ways by using their unique strengths and exceptional talent. Through these programs, Federal agencies are provided with the highest quality talent prepared to tackle government's hardest challenges. The two programs are:

*Presidential Management Fellows (PMF)*: designed to bring highfliers into excepted service developmental government appointments within two years of completing an advanced degree. These appointments may be converted into permanent ones at the end of the fellowship.

*Industry Executives-In-Residence (EIR)* is a proposed new program that brings seasoned, private sector executives who want to “give back” in service into limited term appointments. Industry EIR’s will help agencies address national challenges by contributing specialized domain knowledge and helping develop and sustain new capabilities.

Through either program, outstanding American citizens are provided opportunities to serve their country in challenging ways by using their unique strengths and exceptional talent.

#### USALearning®:

USALearning® is certified by the Human Resource Line of Business (HRLOB) as the governments “Preferred Provider” for all products and services related to E-Learning. These products include but are not limited to the design development, delivery and support of learning management systems, learning content management systems, custom e-learning courses, IT security services, and custom software engineering services. USAL provides these services to both small and large Federal agencies.

USALearning® provides clients with reimbursable customized Learning Management Systems, Online Forums such as Communities of Practice and Social Media integration, Executive Coaching, access to online course libraries, custom course development, hosting and helpdesk support, technical support services, online assessments, virtual conferencing, and various online technical support tools.

In addition, USALearning® supports training platforms within agencies that may include Diversity Training, Ethics, The Learning Connection, Hiring Reform, the Presidential Management Fellows online assessments, cybersecurity courses, and specialized training. External to the Office of Personnel Management, USAL supports 18 of 24 Cabinet level agencies and over 40 small agencies and the Department of Defense.

#### **The Federal Staffing Center (FSC)**

As a provider of government-to-government solutions, OPM’s Federal Staffing Center (FSC) delivers products and services to support agency hiring processes. FSC’s integrated teams of HR Specialists, Business Analysts, Project Managers, IT Professionals, and Data Analysts support agency mission-critical talent acquisition initiatives by providing expert examining, high-level strategic staffing, recruitment and branding, and complete human resources lifecycle solutions designed to attract, assess, and build a high-quality Federal workforce and meet the diverse hiring needs of the Federal Government. FSC also delivers three HRIT solutions to support agency talent acquisition: USAJOBS®, the Federal Government’s official employment site; USA Staffing®, the Federal Government’s Talent Acquisition

System, and USA Hire, USA Staffing's on-line assessment platform comprising high quality, cutting-edge assessments.

*USAJOBS Group (USAJOBS Program Office):* USAJOBS comprises three key capabilities: 1) the Federal Career Portal, which provides a Seeker Portal for jobseekers to find and apply to job opportunities; 2) the Agency Talent Portal for recruiters, HR Specialists, hiring managers, and other agency staff to help them proactively conduct recruitment and outreach activities; 3) Open Opportunities, a platform where Federal employees can create and apply to task-based developmental opportunities to support a 21<sup>st</sup> century workforce. USAJOBS not only enables agencies to meet public notice requirements, but also provides Government-wide recruitment data and applicant pools.

*Automated Systems Management Group (USA Staffing Program Office):* USA Staffing fully automates the staff acquisition life cycle by recruiting, assessing, evaluating, certifying, selecting, and onboarding quality candidates for Federal positions. USA Staffing allows agencies to develop and post job opportunity announcements via USAJOBS, create competency-based assessment tools and position descriptions, review application documents online, rate and rank applications, send applicant notifications, electronically refer candidates to hiring officials for review and selection, audit certificates online, create an online recruitment case file with annotations, select and onboard new hires, and perform advanced analytics on all aspects the hiring process. Customer agencies have unlimited use of USA Staffing for announcement posting, assessment development, classification, applicant review, referral, selection, onboarding including eOPF transmittal, and reporting. It includes online training modules, online integrated help functionality, help desk support, robust reporting, and data interconnections.

*USA Hire Group (USA Hire Program Office):* As an extension of USA Staffing, USA Hire is OPM's online assessment platform that provides Federal agencies with high quality, cutting-edge assessments designed to identify top talent. USA Hire helps agencies hire the best possible candidates by incorporating better assessments in the hiring process in an efficient and effective manner. USA Hire assessments are easy to implement and applicant-friendly. Standard assessments are available "off-the-shelf" and ready to go for 120 common job series. Agencies can also use USA Hire to automate existing assessment content or to develop new online assessments.

*Staff Acquisition Group (SAG):* Staff Acquisition provides expert Examining, Strategic Staffing, and Recruitment and Branding Solution services to Federal agencies needed to attract and retain top performers, including examining and assessment solutions, automated entrance-on-duty support, coaching and consulting services, technical HR training, candidate development program support, and recruitment strategy development and evaluation.

### **FSC Fee Structures**

FSC uses two main fee structures: user fees and fixed rate. User fees are paid annually, based on the number of licensed HR users in their organization. Agencies are able to increase or decrease

their number of licenses in proportion to their annual hiring trends. FSC offers volume discounts as the number of system users increases. The fixed price rates are based on actual trends over time and the cost to provide services, including consulting.

The USAJOBS pricing model is typically based on the number of FTEs in an organization and has a minimum \$5,000 fee. However, for agencies using USAJOBS on a limited basis FSC offers an option with a flat \$500 fee.

**Fee structure one:** Five (5) or less job postings per year includes a \$500 annual fee. Agencies can access USAJOBS to post job opportunities only. (No other capabilities are available.)

**Fee structure two:** Six (6) or more job postings per year starts at \$5,000 per year. This pricing includes use of USAJOBS for unlimited job postings, access to resume mining, and posting events (e.g., recruitment events). Additionally, agencies' job postings are shared through a Job Announcement API with third party vendors such as Indeed.com, Google jobs, and more.

The USA Staffing pricing model is all-inclusive and based on the number of customer agency personnel creating and editing information in USA Staffing. Agencies are able to increase or decrease their number of licenses in proportion to their annual hiring trends. This gives agencies flexibility in aligning their annual USA Staffing cost with their anticipated system usage. The USA Staffing base user license price for FY 2019 is \$8,778. This is a 1% increase in the per user access fee over FY18.

USA Hire uses a few fee structures based on the type of assessment: 1) a fee based on a percentage of the USA Staffing user fee; 2) fixed rates; and 3) per applicant testing fees. Fees are typically paid annually, but additional funds may be submitted throughout the year if additional funds are needed to cover per applicant testing fees.

Staff Acquisition's pricing structure is based on an analysis of the time and resources associated with delivering staffing services. Staff Acquisition completes studies on the time it takes to complete each task within a hiring action. The time for each task will vary depending on the scope, volume, and complexity of work. The time associated with tasks are averaged across a sample group and used to determine the cost of that activity, using our consultant rate. The consultant rate incorporates the average of employee salaries, benefits, overhead, and recurring costs for items used in work delivery. All prices, firm and those developed for a specific customer request, are based on this model.

## **HR Strategy and Evaluation Solutions (HRSES)**

HR Strategy and Evaluation Solutions (HRSES) provides organizational and individual-focused strategies that help agencies plan and position for maximum performance.

### **Assessment and Evaluation Group:**

*Leadership and Workforce Development Assessment (LWDA)* - develops, validates, and administers leadership and workforce planning assessments to assess leader and employee

effectiveness. Assessments target competencies, personality, and leadership potential. Also, conducts competency modeling and gap assessments for workforce training and development.

*Selection and Promotion Assessment (SPA)* - develops, validates, and administers cognitive and non-cognitive competency assessments for selection, promotion, and diagnostic purposes. This includes job analysis, written and non-written tests, job knowledge tests, performance tests, and computer simulations. Also provides assessment training and support, as well as the USA Hire online assessment platform.

*Organizational Assessment (OA)* – surveys, including employee climate, customer satisfaction, exit, and custom surveys; the USA Survey automated survey administration and reporting system; OPM Leadership 360; action planning and organizational development; and program evaluation.

### **HR Strategy Group:**

*Position Management & Classification (PMC)* – Position management reviews; desk audits; position description and evaluation statement development; classification process reviews; and related consulting and training services.

*Workforce Planning & Reshaping (WPR)* – Strategic alignment, environmental scanning; organization analysis and design; workload and work process analysis; workforce analysis; organization structure and staffing model recommendations; restructuring/reduction in force; competency and staffing gap analysis against current and future requirements; succession management; and related consulting and training services.

*Performance Management (PM)* – Employee and labor relations consulting and training; performance management strategy and program development; performance appraisal program development; performance plan reviews; supervisor, manager, and executive performance management training; and telework services.

*USA Performance (USAP)* – USA Performance is a software as a service solution to assist Federal agencies in implementing their Senior Executive Service (SES) and non-SES performance management programs and systems. USA Performance enables agencies to automate their performance appraisal process throughout the entire performance rating cycle.

Pricing for HRSES products and services are based on one of three models: (1) fixed price for off the shelf products and services, (2) customized solutions that typically build upon existing products and services, and (3) services and consultation available on retainer. HRSES pricing is typically scalable, based on quantities of specific products or services (for example, the number of participants being assessed) and the selection of optional services. Pricing for products and services are based primarily on labor costs for each product or service.

### **The Human Capital Industry Solutions (HCIS)**

The HCIS program employs public/private partnerships to deliver private sector human capital and training services, along with the associated assisted acquisition and program management services to federal agencies. The program provides federal agencies with an expedited procurement process using

two Multiple Award, Indefinite Delivery/Indefinite Quantity (MA/IDIQ) contract vehicles (HCaTS and HCaTS Small Business) in the areas of (1) Training and Development, (2) Human Capital Strategy and (3) Organizational Performance Improvement. The HCIS program provides government wide customers with the highest-performing and most cost-effective means to develop, deploy, transform and improve a human capital management system through its consolidated, pre-negotiated acquisition vehicles and program management services. HCIS supports the continual improvement of human capital and training investments throughout the federal government by embracing evolving human capital and training practices and policies aligned with the Human Capital Assessment and Accountability Framework (HCAAF). The HCIS plays a vital role in fulfilling OPM's mandate to provide these services to agencies under 5 U.S.C. §§ 1104, 1304, and 4116, as well as Executive Order 11348.

GSA provides Contract Administration services and assists OPM with the HCaTS Program Management services. The costs of the contract administration services are recovered through a Contract Access Fee (CAF) that is paid by awarded strategic partners for each task order issued under the HCaTS contracts. The CAF is paid by the strategic partners on a prorated basis as work is completed and invoiced.

The HCIS costs associated with delivering assisted acquisition services to federal agencies for acquiring human capital and training services from strategic partners is recovered through an established assisted acquisition services fee schedule. The management fee covers the assisted acquisition and project management services costs which are shared with GSA as they are providing the contracting support and the major financial management support activities. The management fee is a graduated percentage fee applied to all work performed based on customer funding received for a given project. The graduated fee may be adjusted over time to enable the program to generate the right mix of demand and supply to recover total costs.

The HCaTS contracts, through delegated procurement authority (DPA) and OPM assisted acquisition services, will provide federal agencies with both direct access and assisted acquisition access to customized training and development services, human capital strategy services, and organizational performance improvement services.

**Pricing:** HCIS uses a tiered pricing structure for assisted services. In addition, a CAF of 0.75% is assessed on every project whether through HCaTS Assisted or Direct. The tiers consist of the following:

\$20M+: 3%

\$10M to \$19.999M: 5%

\$2.5M to \$9.999M: 7%

\$500K to \$2.499M: 10%

\$0 - \$499K: HCaTS SB, HCaTS Direct or alternative (GSA Schedule, OPM Service, Shared Service, etc.)

## **The Center for Management Services (HRS Support Programs)**

*Marketing and Business Development* – develops, manages, and deploys customer-facing programs and projects that support HRS enterprise-wide outreach and communications goals; manages the HRS internal research and development program; and interfaces with other branches to plan and deploy effective internal communications programs.

*Resource Management Services* – provides budgetary, financial, human resources, strategic planning, and operations support, including budget development, monitoring, and execution; financial reporting, including forecasting, and trend analysis; interagency agreement support; HRS-wide annual strategic planning and implementation; facilities, equipment, travel, contracting, and purchase card management support; coordinating audits and reviews, reviewing internal controls, employee training and development, internal senior executive and management recruitment consultations, strategic workforce planning, personnel actions, performance management and awards, classification and re-classification of employee position descriptions, and employee and labor relations support.

## ***New Business Justification***

### ***CLD***

- USA Learning has created a long-term partnership with the DOD to provide Learning Management System and Knowledge Portal products and support with the potential to reach about \$1 billion in the out-years.
  - To support this long-term partnership and potential growth in business, HRS will internally realign FTE within the Training program. One of the business solutions (Federal Executive Institute) will decrease by 9 FTE by FY 2021 as they transition from full-time faculty to intermittent faculty; USA Learning will double in size (+7 FTE) by FY 2021. Additional surge support will also be evaluated (contract support or Government employees) as part of the potential outyear growth.
- CLD continues to build a corps of intermittent faculty with specialized expertise in areas of need for its programs. The use of intermittent faculty provides flexible staffing and less reliance on contracted support for programs.
- CLD will hire an assessment and evaluation expert to assess and manage CLD's programmatic needs in this area prior to contracting for an evaluation system.
- Increase CLD's use of research data for program development and delivery.
- Work with OPM policy to codify and mandate a continuum of leadership and professional development for Federal workers.
- Reduce duplication of leadership and professional development programs across the Federal workforce.

- Create a continuum of leadership development for the Executive Branch commensurate with DoD services schools and corporate universities.
- Create the Federal model of a 21st Century Workplace for learning through new, agile organizational design and ability to rapidly scale and surge.

### ***FSC***

- FSC will continue partnering with agencies to hire the best talent to meet their missions by providing the full range of hiring products and services for the *Acquire* stage of the HR lifecycle, including: recruitment and branding services; examining services; strategic staffing services; onboarding support; technical training delivery; support for USA Hire implementation and usage; the USA Staffing Talent Acquisition System, and the USAJOBS platform.
- FSC will look to expand within the USAJOBS current customer base, particularly by supporting additional agencies (e.g., DHS) in their use of the Open Opportunities platform.
- We will continue expanding the use of USA Hire assessments by Federal agency customers, manage growth of the program office to evolve with predicted increase in usage/volume, and refine processes as required.
- FSC's Staff Acquisition Group anticipate expanding support for cyber recruitment and hiring initiatives across government, grow recruitment and branding capabilities, and focus on supporting individual agencies and specific career fields (e.g., CIO Council Job Fair.)

### ***HRSES***

- In partnership with HR Solutions' FSC and CLD, HRSES will continue expanding the capabilities in its IT systems and the products and services delivered using those systems. The full USA Performance system was deployed in FY16, adding capability for non-SES appraisals. In FY17, focus shifted to expanding functionalities to incorporate universal configurability to all performance plans and programs. FY18 focused on building out data exchanges with personnel systems to drive record updates in an end-to-end environment. FY19 focused on expanding to include multiple rating cycles, formulas, and web services, as well as beginning a major overhaul of organization structure functionality. HRSES initiated USA Survey replacement activities in FY19 and will continue to fully develop and implement in FY20.
- HRSES plans to build new content for the USA Hire online assessment platform, expanding series coverage and providing more online assessment options for agencies.
- HRSES will continue to partner with FSC to deploy the classification component of USA Staffing and work with customer agencies to fully implement while updating their libraries of position descriptions.

- HRSES will also expand its existing change management offerings to include capabilities from across HR Solutions and potentially GSA to increase the Federal Government's ability to manage and execute major organizational changes.
- Consulting business will increase in FYs 21-23 as HRS' end-to-end (E2E) software-as-a-service offering enters the market, as agencies will need to align their data, position descriptions, performance plans, and organization structures to transition to end-to-end servicing.

## *HCIS*

- In FY19-23, OPM will use its expertise to oversee the delivery of human capital solutions under this contract, while adhering to operative law, policies, and practices and meeting the standards of efficient/effective HC as outlined in OPM's Human Capital Framework. Additionally, OPM will take a greater role in monitoring the deliverables and outcomes of the task orders under the two HCaTS contracts for compliance with the requirements of the ordering agencies. GSA will use its acquisition expertise to build a progressive, durable, and flexible contracting vehicle, utilizing advances in the acquisition field to keep this process seamless to agency customers. This will allow OPM to better focus on its core mission of HC.
- This focus should lead to increased customer satisfaction and agency enthusiasm for the two HCaTS contracts, as evidenced by business volume, repeat customers and HRS' customer satisfaction scores and feedback. By continuing to maintain a stable volume of customers, HCIS can continue to recover costs and generate additional economies of scale and scope for the federal government. Increased HCIS business volumes drive down strategic partner pricing and enables centralized program resources (program managers, contracting officers, facilities, and other fixed costs) to be spread across a wider base of customers. Economies of scope are created due to continual learning of human resources and training services and contracting support for those services. For instance, statements of objectives and performance work statements can be reused, and lessons learned can be applied to similar future efforts.

## **Electronic Official Personnel Folder**

The electronic Official Personnel Folder (eOPF) supporting the e-Government initiative designed to leverage the benefits of information technology, as required by the E-Government Act of 2002. The goal of eOPF is to streamline and automate the collection, aggregation, and maintenance of official career lifecycle documents created during federal employment. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR and employees with access to employee data to improve workforce planning for hiring, skills development, retention strategies and Government-wide policy.

The eOPF system is a web-based application that is capable of storing, processing, and displaying career lifecycle documents of all current, separated, and retired Federal Employees. The system has replaced the several manual HR process by automating as much of the Federal Government's HR processes and creating a streamlined Federal HR document system for all Federal employees. The eOPF covers Title 5

Executive Branch departments and agencies, with some exceptions, as well as some components of the Legislative, Judiciary, and other independent agencies and organizations, with a total user population of more than 2.4 million. The eOPF application is provided through a fee-for-service arrangement with participating agencies. FY 2021 budget is expected to be \$46 million (\$43 million for eOPF support and \$3 million for scanning services).

### **Planned FY 2021 Activities**

In FY 2021, eOPF will continue its evolution of providing agencies a cost-efficient system of records to maintain official employee documentation electronically. This will include expanding interfaces with other HR systems to provide a comprehensive view of the federal workforce and to better leverage data to inform workforce planning and reporting. Working with customer agencies eOPF will continue to implement new tools and technologies to better store and manage these important federal records. For Federal employees, the eOPF will continue to leverage new tools and technologies to provide access to employee data, develop additional opportunities to share data across platforms, when appropriate, and continue to explore and implement creative solutions to view their HR data and records.

The success of the Data Warehouse Program's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to eOPF services. These services include support for agencies' online personnel folders as well as maintenance and support for infrastructure, applications, software maintenance, program management, system security, helpdesk support, and various tools.

### **Planned FY 2021 Accomplishments**

In FY 2021, eOPF will successfully support on-going operations and maintenance, document scanning services for new and existing customers, and development of new tools and technologies. The pricing structure for eOPF maintenance is a fixed price per license and that is based on the number of active users at the customer agency. The eOPF license maintenance, paid annually by the customer, covers the following: (1) Program Management Office support; (2) licenses; (3) record storage and transfer services provided by the National Personnel Records Center; (4) software license maintenance, (5) IT security, (6) OPM Common Services, (7) IT infrastructure hosting and maintenance services, (8) credit monitoring, (9) product development, and (10) helpdesk services.

### **Enterprise Human Resources Integration Data Warehouse (EHRIDW)**

The Office of Personnel Management (OPM) Enterprise Human Resources Integration Program's Data Warehouse (EHRIDW) is the Government's premier source for integrated Federal workforce information. The system currently collects, integrates, and publishes data for 2.0 million Title 5, Executive Branch employees on a bi-weekly basis, supporting agency and Government-wide analytics and reporting by providing data to applications such as FedScope and OPM's Statistical Data Mart. In addition, the system provides Federal workforce data to other internal and external Government systems and processes dependent upon the integrated data. The EHRIDW architecture provides a flexible, scalable, and secure environment for current and future Government requirements, and expansion continues through the addition of new federal employee populations, new data elements, improved data integration and data

quality processes, and by enabling new system interfaces that utilize industry best-practice architectures. The EHRIDW is supported by appropriations, which was requested to be \$8 million in FY2021.

#### **Planned FY 2021 Activities**

- Expansion of data collection to non-title 5 agencies and branches to provide a federal-wide view of employee data
- Development of additional interfaces to other Federal employee-related data sources such as, retirement processing, benefits systems such as FEGLI, training and certification
- Enhancements to data quality and integration tools to support a complete and accurate view of records across an employee's Federal career
- Implementation of new tools and technologies to improve the reliability of timely and accurate agency data submissions and streamlining data loading processes

#### **Planned FY 2021 Accomplishments**

- Successfully support on-going operations and maintenance
- Implement additional data edits to improve data validity and accuracy for more accurate reporting
- Implement additional system interfaces to support more accurate Government-wide reporting and support external systems reliant on EHRIDW data for mission fulfillment
- Improve the timeliness of data submissions by providers as well as timeliness of data availability to FedScope and the Statistical Data Mart.

#### **Human Resources Solutions Information Technology Program Management Office**

The HRS Information Technology Program Management Office (HRS IT PMO or PMO) provides technology support in the form of IT systems development and hosting, supplying both internal and external customers a wide variety of information technology services in the human resources arena. The PMO expects \$80,000,000 in total agreements in FY2021 and expects program income of \$77,550,000, with revenue exceeding expenses by \$1,520,588. Earned Revenue over cost is used to reinvest in products and services for the PMO and/or to hold the revolving fund harmless in the event of liquidation.

#### **Planned FY 2020 Activities**

The PMO delivers leading-edge, innovative, high quality human resource information technology products and services that contribute to organizational effectiveness. The PMO is comprised of three lines of businesses (LOB): OPM's Human Resources Solutions, Other OPM Services, and External Services which include two Employee Self Service Systems (Employee Express and myPay). All of its lines of business contain IT systems that span the HR life cycle and allow the program to sustain itself financially.

FY 2021 activities prioritize the maintenance and sustainment of various existing systems, the largest of which are OPM's Talent Acquisition System - USAStaffing; OPM's Federal Government job board -

USAJOBS; Enterprise Human Resources Integration – Data Warehouse hosting; and a wide variety of other web-based applications used by dozens of Federal agencies.

### **Other OPM Services Line of Business**

This line of business is the largest of the three, accounting for 48% of revenue. It is comprised of products and services provided to other non-HRS organizations within OPM. Among the OPM offices our PMO supports are the Retirement Services program, Healthcare and Insurance program, and Enterprise Human Resources Integration – Data Warehouse Program. HRS IT PMO is responsible for the design, development and hosting of systems within those offices. In addition to being the largest line of business, this is also the fastest growing as organizations within OPM have increasingly recognized the value and technical expertise that the HRS IT PMO provides.

### **Human Resources Line of Business**

In Fiscal Year (FY) 2004, the U.S. Office of Management and Budget (OMB) and Office of Personnel Management (OPM) launched the Human Resources Line of Business (HRLOB) Initiative, for which OPM is the managing partner. Between FY 2005 and 2015, the HRLOB led the consolidation of agency personnel action processing, benefits management, and payroll systems into HRLOB Shared Service Centers (SSCs), which resulted in over \$1 billion in cost avoidance Government-wide.

In 2015, at the request of the Chief Human Capital Officers Council (CHCOC) and the Chief Information Officer at OPM, the OPM Director tasked the HRLOB with creating and implementing a Strategic Framework to enable the CHCOC Future State Vision for Human Resources Information Technology (HRIT) aimed at developing a single, integrated Federal HRIT environment to support the 21st century Federal workforce. The Framework builds on the HRLOB's previous success and, when fully implemented, will result in the modernization of HRIT service delivery, improvement of HR data management and standardization, and the effective use of strategic sourcing, resulting in an additional \$1 billion in cost avoidance over the next 10 years.

The HRLOB is a strategic and transformational initiative that directly supports OPM's mission. The HRLOB actively supports Strategic Objective 2.2: Advance Human Capital management through the strategic use of interoperable HRIT and Strategic Objective: 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements.

The HRLOB will continue to execute the opportunities outlined in the HRLOB Strategic Framework which supports the CHCO Council Future State Vision by enabling the development of an integrated, Government-wide HRIT environment over the next 10 years. The HRLOB activities include:

- Human Capital Community Engagement & Communication-unify the voice of the HC community in defining HC priorities, and objectives, pinpointing common challenges, and identifying Federal solutions.

- Human Capital Policy, Performance & Operations-Support the issuance and implementation of HC policy, align established HCM frameworks to Federal acquisition strategies, and identify opportunities to enhance HC performance Government-wide.
- Human Capital Standards Management, Modernization & Adoption-Define modern operational model for Federal HCM; develop, maintain, and promote functional standards for HC service delivery, performance, data exchange, and security.

The following HRLOB activities for FY20/21 will advance the achievement of the program's goals:

- Drive Human Capital Advancement-Create a modern, standardized human capital environment that meets the need of the Federal workforce and enables the continuous improvement of HC management and service delivery.
- Enhance Service Value-Increase efficiencies in the acquisition, development, and delivery of HC services and supporting systems to improve service quality and reduce duplicative spend.
- Unify the Human Capital Community-Enable collaboration between HC customers, providers, executive stakeholders, and supporting partners to leverage the government's collective expertise in establishing common HC principles.
- Improve the Employee Experience-Support the complete, secure, and timely sharing of information across an employee's career to improve confidence in Federal HC management.

### **External Services Line of Business**

Two primary products offered within the Employee Self Service Systems line of business serve more than six million people worldwide. The first, Employee Express, is accessible by touch-tone phone and via the Web, and provides automated information that empowers Federal employees to initiate the processing of their discretionary personnel-payroll transactions electronically. The second, myPay, provides the same service to Department of Defense Federal employees, military members, and military retirees. This line of business rounds out the remaining income for the HRS IT PMO, accounting for 11 percent of annual revenue.

The HRS IT PMO will continue to deliver products and services to our customers as outlined above, allowing agencies it services to become high-performing organizations and supporting their HR life cycle needs through affordable information technology solutions. HRS IT PMO will recover costs of operations by managing dozens of individual reimbursable agreements with its customers. Costs and associated pricing models are determined through a rigorous assessment of direct costs of service delivery, indirect costs of program administration, and the OPM common services assessment. For years, the PMO has had a strong base of repeat customers who choose our products and services for quality, innovation, value, and proven performance. This will continue in FY 2021.

### **Credit Monitoring and Identity Protection Services**

In 2015, the U.S. Office of Personnel Management (OPM) announced malicious cyber activity on its network and identified two separate but related cybersecurity incidents which had impacted the data of approximately 22.1 million Federal government employees, contractors, and others. Pursuant to the

Consolidated Appropriations Act, 2017 (P.L. 115-31), Section 633 of Division E, OPM is required to provide Credit Monitoring & Identity Protection Services (CM IPS) through FY 2026, and includes not less than \$5 million in identity theft insurance. This program has been previously managed and reported within the background investigations program performed by the National Background Investigations Bureau of OPM.

Accordingly, OPM began offering these services to impacted individuals as of July 1, 2015. In December 2018, OPM awarded a blanket purchase agreement (BPA) call to Identity Theft Guard Solutions, LLC, doing business as ID Experts. The new re-compete BPA Call was awarded under the General Service Administration's Identity Protection Services (IPS) Multiple-Award Blanket Purchase Agreement (BPA). The consolidated award will have a possible full period of performance of 5 years, which will continue to provide coverage to all impacted individuals through FY 2026.

CM IPS costs consist of contract, operational, management, and administrative costs. There are two funding sources for the program. OPM collects annually from the largest Federal agencies via an Inter-agency Agreement (IAA) based on proportional allocation of total program cost. The basis for distribution is the number of background investigations historically ordered by each agency. Additionally, fees are collected by the Enterprise Human Resource Integration (EHRI) program as part of the eOPF rates charged to agencies, to fund the CM/IPS program.

The CM IPS program provides a comprehensive suite of credit and identity monitoring, identity theft insurance, and identity restoration services. The FY 2020 and FY 2021 costs are projected as \$85,104,717 and \$85,136,499, respectively, for the following:

**Credit Monitoring & Identity Protection Services** – The BPA call awarded to ID Experts included a one-year base period and four one-year option periods.

**Verification Center Operations** – The Verification Center is provided through an assisted acquisition, funded by OPM, through two annual interagency agreements (one for each of the two cybersecurity incidents) with DOD's Defense Information Systems Agency (DISA) Defensive Information Technology Contracting Organization (DITCO).

**Verification Letters** – The determinations of impact status which are generated by the Verification Center are communicated to requestors by a letter sent via the US Postal Service. Currently, DOD's Defense Logistics Agency (DLA) is engaged to print and send these notification letters. These letters include the 25-digit PIN which is necessary to enroll in the services provided.

**OPM Program Management Office** – OPM incurs administrative costs such as salaries and benefits, training, and site visits in managing the CM IPS Program. The Program Office consists of five people which includes labor performed by offices throughout the agency which is charged to the CM IPS program.

The aforementioned activities are Congressionally mandated as they support provision of comprehensive, complimentary identity protection coverage pursuant to P.L. 115-31.

During the first years of this program, costs were unpredictable which created challenges with establishing pricing for the services provided. However, the December 2018 re-compete of the BPA Call with a period of performance of 5 years has stabilized the program cost and improved accuracy of the pricing for future years. While surplus funds will reduce costs to agencies in FY 2020, in FY 2021 costs will resume at expected levels and remain consistent throughout the period of performance for the new BPA Call.

# Other Requirements

## Major Management Priorities and Challenges

OPM's major management priorities and challenges are:

- Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points.
- Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points.
- Objective 4.3: Exceed Government-wide average satisfaction for each agency mission support service.
- Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and average case processing times to 60 days or less.

Please refer to the "Performance Budget by Strategic Goal" section of this document for the planned actions, performance measures and targets, and responsible agency officials for each management priority and challenge.

## Evidence Building

OPM has integrated its discussion of evidence building into the "Performance Budget by Strategic Goal" section of this document. OPM's objective 2.1 is to "Improve collection and analysis of data to better inform human capital management decisions," and describes agency-wide next steps to build and use evidence to improve performance.

## Data Validation and Verification

An assessment by the Director of OPM of the reliability and completeness of performance data is included in the agency's Annual Performance Report, released concurrently with this Budget. The report also includes a "Data Validation and Verification" section that includes the steps OPM has taken to promote the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of the means used to verify and validate measured values, the sources of the data, and any limitations to the data.

## GAO-IG Act

OPM is working to meet the new reporting requirement of the GAO-IG Act enacted on January 3, 2019. The agency plans to file the report on open or unimplemented audit recommendations with Appropriations Committee staff as soon as it is completed.



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

Office of the  
Chief Information  
Officer

Memorandum For: OPM's FY 2021 BUDGET SUBMISSION

From: Clare Martorana  
Chief Information Officer *Clare Martorana 1/22/20*  
Office of the Chief Information Officer (CIO)  
  
Dennis Coleman *Dennis Coleman 1/22/20*  
Chief Financial Officer  
Office of the Chief Financial Officer (CFO)

Subject: IT Resource Statements

In compliance with the Federal Information Technology Acquisition Act of 2014, we hereby affirm the following:

- Due to the brevity of her tenure, the OPM Chief Information Officer (CIO) has had limited impact on the FY2021 budget. The Chief Financial Officer (CFO) will provide increased details on the FY2021 budget in the coming months, allowing the CIO to broadly impact the FY2022 budget submission.
- The CIO will continue to review an increasing number of IT investment proposals prior to their procurement to ensure she can impact IT spend within OPM.
- Two major IT investments have been reduced within the FY2021 submission. Further discussions with the CIO will allow for a better understanding of the impacts of these reductions on the enterprise IT service delivery to key OPM programs.

Please note that this budget submission does take into account a pending agreement between OPM and DoD for the buy-back of services associated with the transfer of the background investigation mission to DoD at the start of fiscal year 2020.

# Table of Acronyms

ARC	Administrative Resource Center
ALJ	Administrative Law Judges
APGs	Agency Priority Goals
BPA	Blanket Purchase Agreement
CAP	Cross-Agency Priority
CFC	Combined Federal Campaign
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officers Council
CLIA	Congressional, Legislative and Inter-Governmental Affairs
CM IPS	Credit Monitoring & Identity Protection Services
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSRDF	Civil Services Retirement and Disability Fund
CSRS	Civil Service Retirement System
DCFSA	Dependent Care Flexible Spending Account
DCSA	Defense Counterintelligence and Security Agency
DOD	Department of Defense
EEO	Equal Employment Opportunity
EHRI	Enterprise Human Resources Integration
EHRIDW	Enterprise Human Resources Integration Program's Data Warehouse

EMDC	Eastern Management Development Center
eOPF	Electronic Official Personnel Folders
ES	Employee Services
ExecSec	Executive Secretariat
FAA	Federal Aviation Administration
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits Program
FEI	Federal Executive Institute
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FFS	Federal Financial System
FHRI	Federal HR Institute
FLTCIP	Federal Long-Term Care Insurance Program
FMLA	Family and Medical Leave Act
FOIA	Information Management and Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FRAE	Further Revised Annuity Employees
FSAFEDS	Flexible Spending Accounts for Federal Employees
FSC	Federal Staffing Center
FSEM	Facilities, Security, and Emergency Management
FTE	Full-time Equivalent

FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GSA	General Services Administration
HC	Human Capital
HCaTS	Human Capital and Training Solutions
HCFSA	Health Care Flexible Spending Accounts
HCIS	Human Capital Industry Solutions
HI	Healthcare and Insurance
HRIT	Human Resources Information Technology
HRIT	Human Resources Information Technology
HRLOB	Human Resource Line of Business
HRLOB	Human Resources Line of Business
HRS	Human Resources Solutions
HRSES	Human Resources Strategy and Evaluation Solutions
ILDLP	International Leadership Development Program
IOC	Office of Internal Oversight & Compliance
IPS	Identity Protection Services
IT	Information Technology
LDS	Leadership for a Democratic Society
LEAD	Leadership Education and Development
LEX HCFSA	Limited Expense Health Care Flexible Spending Account

LSS	Lean Six Sigma
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
NAPA	National Academy of Public Administration
NBIB	National Background Investigations Bureau
NDAA	National Defense Authorization Act
OC	Office of Communications
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OD	Office of the Director
OES/ExecSec	Office of the Executive Secretariat
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OLBP	Online Bill Pay
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPO	Office of Procurement Operations
OSDBU	Office of Small and Disadvantaged Business Utilization
OSI	Office of Strategy and Innovation
P.L.	Public Law
PAC	Performance Accountability Council
PMA	President's Management Agenda

PMO	Program Management Office
PPA	Plan Performance Assessment
QCR	Clinical Quality, Customer Service, and Resource Use
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SSCLOB	Security, Suitability and Credentialing Line of Business
SuitEA	Suitability Executive Agent
TFM	Trust Funds Modernization
TSA	Transportation Security Administration
TSP	Thrift Savings Plan
U.S.C.	United States Code
VHA	Veterans Health Administration
WMDC	Western Management Development Center
WPR	Workforce Planning and Reshaping

**U.S. General Services Administration**

**ACQUISITION SERVICES FUND**

**Fiscal Year 2021 Budget Estimate**

**CONTENTS**

Program Financing and Operating Results.....	2
Summary of Budget Estimate.....	4
Explanation of Changes.....	5
Summary of Results of Operations.....	6
Results of Operations by Program.....	8
Obligations by Object Classification.....	11
Supporting Administration Priorities.....	13
Federal Acquisition Service.....	16
FAS Portfolio and Integrator Initiatives.....	16
Assisted Acquisition Services.....	16
Office of General Supplies and Services Categories.....	17
Information Technology Category.....	21
Professional Services and Human Capital Categories.....	26
Technology Transformation Services.....	29
Travel, Transportation and Logistics Categories.....	33
FAS Integrators.....	36

## Program Financing and Operating Results

The Acquisition Services Fund (ASF) is a full-cost-recovery revolving fund financing nearly all operations of the Federal Acquisition Service (FAS). FAS also includes organizations that are funded out of the Operating Expense appropriation, the Transportation Audits warrant, and the Federal Citizen Services Fund (FCSF). The ASF provides for the acquisition of information technology (IT) solutions, telecommunications, motor vehicles, supplies, and a wide range of goods and services for Federal agencies. This fund recovers costs through fees charged to Federal agencies for services rendered and commodities provided.

The ASF is authorized by section 321 of title 40, U.S.Code, which requires the Administrator to establish rates to be charged to agencies receiving services that: (1) recover costs; and (2) provide for the cost and capital requirements of the ASF. The ASF is authorized to retain earnings to cover the cost of replacing fleet vehicles (Replacement Cost Pricing), maintain supply inventories adequate for customer needs, and fund anticipated operating needs specified by the Cost and Capital Plan.

The ASF now consists of six business portfolios and one strategic initiative:

*Assisted Acquisition Services (AAS)* — assists agencies in making informed procurement decisions and serves as a center of acquisition excellence for the Federal community. AAS provides acquisition, technical, and project management services related to information technology and professional services at best value.

*Office of General Supplies and Services Categories (GS&S)* — provides partner agencies with general products such as furniture, office supplies, and hardware products. GS&S centralizes acquisitions on behalf of the Government to strategically procure goods and services at reduced costs, while ensuring regulatory compliance for partner agency procurements. This portfolio also provides personal property disposal services to partner agencies, which are partially funded by the Operating Expenses appropriation.

*Information Technology Category (ITC)* — makes available IT and telecommunications products and services to Federal, State, and local agencies. ITC provides access to IT services, hardware, software, telecommunications, and IT security services.

*Professional Services & Human Capital Categories (PSHC)* — provides Federal agencies with professional and human capital services contract solutions, including payment solutions through the GSA SmartPay<sup>®</sup> program.

*Technology Transformation Services (TTS)* — partners with Government agencies to transform the way they build, buy, and share technology. They use modern methodologies and

technologies to help Federal agencies improve the public's experience with the Government. TTS helps agencies make their services more accessible, efficient, and effective with modern applications, platforms, processes, personnel, and software solutions.

*Travel, Transportation, and Logistics Categories (TTL)* — provides partner agencies with a broad scope of services, which includes travel, transportation, and relocation services; motor vehicle acquisition; and motor vehicle fleet leasing services.

*Integrated Award Environment (IAE)* – IAE is an initiative that is run out of the Office of Systems Management that provides centralized technology supporting a modernized Federal award environment. IAE works across the Federal Government in collaboration with governance groups of interagency experts by leveraging technology to manage the collection and display of standardized data that is critical to maintaining the integrity of Federal awarding processes. The IAE leverages technology to reduce burden on awardees and provide immediate and reliable access to data and information Federal officials need to plan for, award, and manage taxpayer dollars efficiently and effectively. Analysis and use of data in the IAE environment has supported category management savings of over \$27 billion since 2017 and elimination of over 31,000 duplicate contracts while exceeding small business contracting goals. Ongoing modernization considers the need for removing friction in processes, providing self-service tools to leverage data as a strategic asset, and exploring innovation to open more data while reducing taxpayer costs. In alignment with the IAE modernization work in 2020, the program is working to refine its financial model to better reflect a modernized award environment.

## **Summary of Budget Estimate**

The fiscal year (FY) 2021 budget estimate provides a total of \$21.2 billion and 3,591 full-time equivalent (FTE) employees. This is an increase of \$299 million and an increase of 171 FTE from the FY 2020 plan. The FY 2020 operating plan and FY 2021 budget reflect FAS's concerted effort to increase savings Government-wide by increasing the utilization of current offerings and achieving internal operational efficiencies.

The FY 2021 estimate includes an additional \$299 million from the FY 2020 Plan:

- \$368 million in additional business volume through FAS Offerings.
- \$316 million for inflation on goods and services sold.
- \$24.5 million in FTE costs to support business priorities.
- \$11 million for increased Rental Payments to GSA.
- \$10 million for the FY 2021 Pay Increase.
- -\$4.3 million in reductions to the overall WCF Bill.
- -\$13.2 million decrease in Reserve Investment Spending.
- -\$16 million decrease in Operational Contractual Services and Other Miscellaneous Spending.
- -\$397 million in decreased Costs of Goods Sold due to the Telecom Transition.

U.S. General Services Administration  
Acquisition Services Fund

**Explanation of Changes**

(Dollars in Thousands)

	FTE	Obligations
2020 Plan.....	3,420	\$ 20,941,035
2021 Plan.....	3,591	\$ 21,239,953
<b>Net Change.....</b>	<b>171</b>	<b>\$ 298,917</b>

	FTE	Obligations
<b>Maintaining Current Levels:</b>		
FY 2021 Pay Increase		\$ 9,651
Inflation on Goods and Services Sold		\$ 315,849
<b>Subtotal, Maintaining Current Levels.....</b>	<b>-</b>	<b>\$ 325,499</b>

**Program Changes**

Increased Business Volume through FAS Offerings		\$ 367,828
Increased FTE to Support Business Priorities	171	\$ 24,504
Increase in Rental Payments to GSA <sup>1</sup>		\$ 10,939
Decrease in Overall WCF Bill		\$ (4,272)
Decrease in Reserve Investment Spending		\$ (13,261)
Decreased Operational Contractual Services & Other Misc. Spending		\$ (15,709)
Decreased Cost of Goods Sold due to Telecom Transition <sup>2</sup>		\$ (396,611)
<b>Subtotal, Program Changes.....</b>	<b>171</b>	<b>\$ (26,582)</b>
<b>Net Change.....</b>	<b>171</b>	<b>\$ 298,917</b>

1- In FY 2021 Rent for 1800 F ST NW will be obligated directly by FAS rather than through the WCF Bill.

2 - The ITC Network Services Transition will result in a shift from GSA obligating Telecom funds on behalf of customer agencies to customers directly obligating funding against GSA contract vehicles.

## Summary of Results of Operations

The ASF's authorizing legislation requires the Administrator to establish rates to be charged to agencies receiving services that: (1) recover costs; and (2) provide for the cost and capital requirements of the ASF. In order to fulfill this requirement, GSA projects estimated income and expenses as part of the budget process. Below are highlights of this process as they relate to growth in revenue and utilization of reserves.

In FY 2020 and FY 2021, total ASF revenue is projected to be \$16.6 billion and \$16.5 billion respectively. This revenue is generated across FAS's six business portfolios. Revenue for all programs, except the Information Technology Category (ITC), is projected to increase in FY 2021 plans from FY 2020 due to increased utilization of current offerings as well as several new offerings. Below is the portfolio by portfolio summary that totals the ASF's \$88 million decrease in anticipated revenue from FY 2020 to FY 2021:

- -\$407 million in ITC as agencies transition from ITC's Networkx contract to the lower rates on the Enterprise Infrastructure Solutions (EIS) contract.
- \$177 million due to increased customer orders in AAS. Most of this growth is associated with increased business volume related to U.S. Department of Defense (DoD) and Government National Mortgage Association orders.
- \$92 million increases in TTL due to increased growth in agency motor vehicle consolidations.
- \$25 million from TTS initiatives.
- \$16 million increase in GS&S associated with the expansion and growth of store operations.
- \$9 million in PSHC due to the growth of the Human Capital and Training Solutions (HCaTS) and the continued implementation of the *One Acquisition Solution for Integrated Services* (OASIS).

In FY 2020 and FY 2021, reserve expenses include funding for business system and offering modernization, enhancements to the Integrated Award Environment (IAE), contract transition for the Network Services Program, and support of the Agency Reform Plan initiatives such as improving the Federal Marketplace, Schedules consolidation, and piloting commercial platforms.

## **Operating Efficiency Metric**

In FY 2018, FAS began using an operating efficiency metric to monitor how it converts resources into business offerings that recover costs. This metric is calculated by dividing FAS's direct operating expenses by the total gross margin earned (the fees collected) by FAS's various business lines (in this methodology, a lower percentage indicates greater efficiency). FAS's direct operating expenses are defined as the costs over which FAS has direct control, i.e., those costs not related to customer orders or controlled by a part of GSA other than FAS. Examples of costs excluded from FAS's direct operating expenses include maintenance costs of vehicles leased to customers and payments to GSA's Working Capital Fund. FAS achieved a result of 30.9 percent in both FY 2018 and FY 2019. FAS is targeting 32.6 percent in FY 2020 and 32.4 percent in FY 2021. Individual portfolios within FAS provide services on profit and loss statements and have different fixed and variable direct cost models, therefore they have different operational efficiency ratios. Management evaluates efficiency at portfolio levels to ensure FAS' ability to serve changing levels of Government demand at optimal levels of efficiency.

U.S. General Services Administration  
Acquisition Services Fund

**Results of Operations by Program**  
(Dollars in Thousands)

Income and Expense Statement	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
<b>1. Assisted Acquisition Services (AAS)</b>			
Revenue	\$ 9,328,668	\$ 10,127,379	\$ 10,304,208
Acquisition Training Fund	\$ -	\$ -	\$ -
Cost of Goods Sold	\$ 9,070,850	\$ 9,829,023	\$ 10,002,456
Gross Margin	\$ 257,818	\$ 298,356	\$ 301,752
<i>Cost of Operations</i>			
Program Expenses	\$ 142,878	\$ 164,691	\$ 178,536
Corporate Overhead	\$ 48,810	\$ 55,043	\$ 61,009
Other Cost of Operations	\$ 2,524	\$ 2,481	\$ 2,460
Total Cost of Operations	\$ 194,212	\$ 222,215	\$ 242,006
Net Operating Results	\$ 63,606	\$ 76,141	\$ 59,746
Reserve Expenses	\$ 11,399	\$ 19,941	\$ 21,194
Net Financial Impact	\$ 52,207	\$ 56,200	\$ 38,552
<b>2. General Supplies and Services (GSS)</b>			
Revenue	\$ 1,303,061	\$ 1,371,628	\$ 1,387,573
Acquisition Training Fund	\$ (2,536)	\$ (2,456)	\$ (2,528)
Cost of Goods Sold	\$ 1,067,498	\$ 1,133,902	\$ 1,147,611
Gross Margin	\$ 233,027	\$ 235,270	\$ 237,435
<i>Cost of Operations</i>			
Program Expenses	\$ 161,613	\$ 168,140	\$ 168,952
Corporate Overhead	\$ 48,304	\$ 50,407	\$ 51,808
Other Cost of Operations	\$ 5,506	\$ 1,359	\$ 1,399
Total Cost of Operations	\$ 215,423	\$ 219,906	\$ 222,159
Net Operating Results	\$ 17,604	\$ 15,364	\$ 15,276
Reserve Expenses	\$ 1,262	\$ 11,398	\$ 19,978
Net Financial Impact	\$ 16,342	\$ 3,965	\$ (4,703)
<b>3. Information Technology Category (ITC)</b>			
Revenue	\$ 1,778,224	\$ 1,798,272	\$ 1,391,435
Acquisition Training Fund	\$ (7,654)	\$ (7,421)	\$ (7,546)
Cost of Goods Sold	\$ 1,429,439	\$ 1,453,947	\$ 1,057,336
Gross Margin	\$ 341,131	\$ 336,904	\$ 326,553
<i>Cost of Operations</i>			
Program Expenses	\$ 218,860	\$ 223,296	\$ 226,610
Corporate Overhead	\$ 64,642	\$ 61,649	\$ 63,703
Other Cost of Operations	\$ 4,081	\$ 1,932	\$ 1,990
Total Cost of Operations	\$ 287,582	\$ 286,877	\$ 292,303
Net Operating Results	\$ 53,549	\$ 50,027	\$ 34,250
Reserve Expenses	\$ 28,631	\$ 33,215	\$ 26,098
Net Financial Impact	\$ 24,918	\$ 16,812	\$ 8,152

U.S. General Services Administration  
Acquisition Services Fund

Income and Expense Statement	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
<b>4. Professional Services &amp; Human Capital (PSHC)</b>			
Revenue	\$ 100,551	\$ 113,562	\$ 122,716
Acquisition Training Fund	\$ (4,500)	\$ (5,678)	\$ (6,136)
Cost of Goods Sold	0	\$ -	\$ -
Gross Margin	\$ 96,051	\$ 107,884	\$ 116,580
<i>Cost of Operations</i>			
Program Expenses	\$ 65,725	\$ 70,168	\$ 69,915
Corporate Overhead	\$ 19,506	\$ 21,459	\$ 21,676
Other Cost of Operations	\$ 735	\$ 1,075	\$ 1,107
Total Cost of Operations	\$ 85,966	\$ 92,702	\$ 92,699
Net Operating Results	0	\$ 15,182	\$ 23,882
Reserve Expenses	\$ 796	\$ 2,745	\$ 7,056
Net Financial Impact	\$ (796)	\$ 12,436	\$ 16,826
<b>5. Travel, Transportation, and Logistics (TTL)</b>			
Revenue <sup>1</sup>	\$ 2,794,955	\$ 3,014,805	\$ 3,106,710
Acquisition Training Fund	\$ (925)	\$ (1,074)	\$ (1,084)
Cost of Goods Sold <sup>1</sup>	\$ 1,437,728	\$ 1,618,446	\$ 1,643,653
Gross Margin	\$ 1,356,303	\$ 1,395,286	\$ 1,461,973
<i>Cost of Operations</i>			
Program Expenses	\$ 485,046	\$ 529,405	\$ 574,043
Corporate Overhead	\$ 48,446	\$ 50,935	\$ 53,558
Other Cost of Operations	\$ 581,916	\$ 607,131	\$ 642,869
Replacement Cost Pricing <sup>2</sup>	\$ 162,127	\$ 176,472	\$ 165,049
Total Cost of Operations	\$ 1,277,535	\$ 1,363,943	\$ 1,435,519
Net Operating Results	\$ 78,768	\$ 31,343	\$ 26,454
Reserve Expenses	\$ 3,142	\$ 6,216	\$ 14,940
Net Financial Impact	\$ 75,626	\$ 25,127	\$ 11,514
<b>6. Integrated Award Environment (IAE)</b>			
Revenue	\$ 73,227	\$ 69,254	\$ 69,254
Acquisition Training Fund	\$ -	\$ -	\$ -
Cost of Goods Sold	\$ 77,471	\$ 99,254	\$ 72,059
Gross Margin	\$ (4,244)	\$ (30,000)	\$ (2,805)
<i>Cost of Operations</i>			
Program Expenses	\$ 13,331	\$ 12,033	\$ 8,841
Corporate Overhead	\$ 6,573	\$ 6,816	\$ 6,433
Other Cost of Operations	\$ 5,964	\$ 6,042	\$ 6,223
Total Cost of Operations	\$ 25,868	\$ 24,892	\$ 21,498
Net Operating Results	\$ (30,111)	\$ (54,892)	\$ (24,303)
Reserve Expenses	\$ 18,273	\$ 31,164	\$ 5,411
Net Financial Impact	\$ (48,384)	\$ (86,056)	\$ (29,714)

U.S. General Services Administration  
Acquisition Services Fund

Income and Expense Statement	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
<b>7. Common Acquisition Platform (CAP) <sup>3</sup></b>			
Revenue	\$ 317	\$ -	\$ -
Acquisition Training Fund	0	\$ -	\$ -
Cost of Goods Sold	\$ 664	\$ -	\$ -
Gross Margin	\$ (347)	\$ -	\$ -
<i>Cost of Operations</i>			
Program Expenses	\$ -	\$ -	\$ -
Corporate Overhead	0	\$ -	\$ -
Other Cost of Operations	\$ -	\$ -	\$ -
Total Cost of Operations	\$ -	\$ -	\$ -
Net Operating Results	\$ (347)	\$ -	\$ -
Reserve Expenses	0	\$ -	\$ -
Net Financial Impact	\$ (347)	\$ -	\$ -
<b>8. Technology Transformation Services (TTS)</b>			
Revenue	\$ 58,876	\$ 93,521	\$ 118,419
Acquisition Training Fund	\$ -	\$ -	\$ -
Cost of Goods Sold	\$ 18,156	\$ 46,282	\$ 59,947
Gross Margin	\$ 40,721	\$ 47,239	\$ 58,472
<i>Cost of Operations</i>			
Program Expenses	\$ 40,191	\$ 45,377	\$ 48,291
Corporate Overhead	\$ 8,863	\$ 11,338	\$ 11,846
Other Cost of Operations	\$ 183	\$ 352	\$ 362
Total Cost of Operations	\$ 49,237	\$ 57,067	\$ 60,499
Net Operating Results	\$ (8,517)	\$ (9,828)	\$ (2,027)
Reserve Expenses	\$ 5,368	\$ 4,386	\$ 6,318
Net Financial Impact	\$ (13,885)	\$ (14,214)	\$ (8,345)
<b>9. Total Acquisition Services Fund (ASF)</b>			
Revenue	\$ 15,437,880	\$ 16,588,421	\$ 16,500,315
Acquisition Training Fund	\$ (15,615)	\$ (16,628)	\$ (17,293)
Cost of Goods Sold	\$ 13,101,804	\$ 14,180,853	\$ 13,983,063
Gross Margin	\$ 2,320,461	\$ 2,390,939	\$ 2,499,959
<i>Cost of Operations</i>			
Program Expenses	\$ 1,127,643	\$ 1,213,110	\$ 1,275,187
Corporate Overhead	\$ 245,144	\$ 257,648	\$ 270,034
Other Cost of Operations	\$ 600,908	\$ 620,372	\$ 656,410
Replacement Cost Pricing <sup>2</sup>	\$ 162,127	\$ 176,472	\$ 165,049
Total Cost of Operations	\$ 2,135,823	\$ 2,267,603	\$ 2,366,681
Net Operating Results	\$ 184,638	\$ 123,337	\$ 133,278
Reserve Expenses	\$ 68,871	\$ 109,067	\$ 100,996
Net Financial Impact	\$ 115,767	\$ 14,270	\$ 32,282
1- TTL Portfolio Revenue and Cost of Goods Sold include \$880.1million, \$1,061.7 million, and \$1,094.4 million in intra-GSA sales of vehicles that GSA Fleet plans to purchase from GSA Automotive in FY 2019, FY 2020, and FY 2021, respectively, for its leasing program for federal agencies.			
2- TTL and Total ASF operating expenses include Replacement Cost Pricing (RCP), which is a component of current year fees and is used to cover the cost of inflation on vehicles purchased by GSA Fleet.			
3- The former CAP Portfolio is no longer Revenue generating and will not have an Income and Expense Statement in FY 2020 and FY 2021. It has been added to the Corporate Overhead expense line and is allocated to the other Programs. Amounts in FY 2019 are residual transactions from			
4- Total FY 2020 ASF Revenue is \$4,352.6 million less than the total obligation request of \$20,941.0 million for FY 2020. The total obligation request includes anticipated increases in flow-thru obligations that will not be recognized as Revenue until subsequent fiscal years.			

U.S. General Services Administration  
Acquisition Services Fund

**Obligations by Object Classification**  
(Dollars in Thousands)

		2019 Actual	2020 Plan	2021 Plan
11.1	Full-time permanent.....	\$ 344,055	\$ 381,167	\$ 406,846
11.3	Other than permanent.....	\$ 15,081	\$ 343	\$ 366
11.5	Other personnel compensation.....	\$ 5,643	\$ 5,741	\$ 6,128
11.9	Total personnel compensation.....	\$ 364,779	\$ 387,251	\$ 413,340
12.1	Civilian personnel benefits.....	\$ 115,047	\$ 120,680	\$ 128,745
13.0	Benefits for Former Personnel.....	\$ -	\$ -	\$ -
21.0	Travel and transportation of persons.....	\$ 7,392	\$ 9,674	\$ 9,903
22.0	Transportation of things.....	\$ 14,110	\$ 6,773	\$ 6,815
23.1	Rental payments to GSA.....	\$ 19,343	\$ 16,399	\$ 27,338
23.3	Communications, utilities, and miscellaneous charges.....	\$ 1,475,424	\$ 1,520,855	\$ 1,136,702
24.0	Printing and reproduction.....	\$ 1,704	\$ 2,062	\$ 2,064
25.1	Advisory and Assistant Service.....	\$ 11,179,636	\$ 14,351,283	\$ 14,834,952
25.2	Other good and services from non-Federal sources.....	\$ 2,269	\$ 5,176	\$ 4,771
25.3	Other purchases of goods and services from Federal sources.....	\$ 316,575	\$ 277,205	\$ 272,970
25.7	Operations and maintenance of equipment.....	\$ 193,326	\$ 129,387	\$ 138,636
26.0	Supplies and materials.....	\$ 1,330,650	\$ 1,314,761	\$ 1,348,329
31.0	Equipment.....	\$ 2,496,025	\$ 2,799,522	\$ 2,915,381
32.0	Land and structures.....	\$ 521	\$ -	\$ -
42.0	Insurance claims and indemnities.....	\$ 1,367	\$ -	\$ -
43.0	Interest and Dividends.....	\$ -	\$ 8	\$ 8
	<b>Total new obligations.....</b>	<b>\$ 17,518,169</b>	<b>\$ 20,941,035</b>	<b>\$ 21,239,953</b>
	Subtotal, PC&B.....	\$ 479,826	\$ 507,930	\$ 542,085
	Subtotal, Non-labor.....	\$ 17,038,343	\$ 20,433,105	\$ 20,697,868
	Civilian full-time equivalent employment.....	3,229	3,420	3,591
	Net Outlays	(303,737)	787,000	(792,000)

U.S. General Services Administration  
Acquisition Services Fund

**FTE by Portfolio, Initiative, and Integrator Office**

	<b>FY 2019 Actual</b>	<b>FY 2020 Plan</b>	<b>FY 2021 Plan</b>
<b>Portfolios &amp; Initiatives</b>	<b>2,657</b>	<b>2,806</b>	<b>2,952</b>
Assisted Acquisition Services	478	546	596
General Supplies Services	488	500	527
Information Technology Category	600	615	643
Professional Services & Human Capital	221	225	244
Travel, Transportation, & Logistics	648	670	691
Integrated Award Environment	33	33	30
Technology Transformation Services	189	218	223
<b>Integrators</b>	<b>572</b>	<b>614</b>	<b>639</b>
Office of the Commissioner	68	74	97
Regional Commissioners	87	99	102
Office of Enterprise Strategy Management	44	48	45
Office of Customer & Stakeholder Engagement	234	249	250
Office of Policy & Compliance	39	44	46
Common Acquisition Platform	30	34	32
Contracting	70	66	67
<b>Total ASF FTE <sup>1</sup></b>	<b>3,229</b>	<b>3,420</b>	<b>3,591</b>

1 - The sum of individual office's FTE may not add up to the total FAS FTE levels due to rounding.

## Supporting Administration Priorities

FAS is determined to implement the President's Management Agenda of modernizing the Federal Government in order to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars. FAS supports the President's Management Agenda on multiple fronts by investing in IT modernization, offering shared services to other Federal agencies, and being a leader in category management. Supporting the President's Management Agenda results in substantial benefits to FAS, GSA, the Federal Government, and the taxpayer.

IT Modernization - Across the enterprise, FAS is enabling better mission-driven acquisition across the Government by modernizing its policies, processes, and technology. Efforts include exploring legislation and policy reform to support transparency and competition, simplifying and streamlining internal and external processes, and providing a modern acquisition experience through innovative and user-friendly systems. FAS is committed to making interactions easier for Federal agency customers, improving suppliers' experience of doing business with the Government, and giving FAS employees the right tools to support service delivery and perform the high value activities. In addition, FAS regularly reviews its inventory of IT infrastructure and continues to make significant investments to modernize its business and infrastructure systems. IT Modernization activities include:

- Modernization and convergence of legacy Assisted Acquisition Services business systems;
- Development of a new Telecom ordering and inventory system;
- Implementation of an order management system for the Global Supply program;
- Planned modernization and convergence of the legacy Fleet business systems; and
- Planning of an enterprise-wide contract writing system.

Shared Services - FAS has long been a leader in providing shared services for other Federal agencies. Examples of shared services include:

- The E-Gov Travel service, which is used to book travel and lodging;
- IAE, which enables Federal agencies to plan for, award, and manage taxpayer funded awards using data collected and managed in IAE applications; and
- SmartPay<sup>®</sup>, which provides purchase, travel, fleet, and integrated payment solutions.

Category Management - As a leader in category management, the FAS category management program office develops and implements the processes and data analytics for assessing and analyzing market information pertaining to common spend categories across the Government. Consistent with the focus on data-driven decisions and support of Government-wide initiatives information technology category management initiatives, FAS is leading the way in shared data analytics capabilities to develop and implement repeatable and efficient processes for IT data

management and vendor relationship management that can be scaled to other categories once implemented.

In addition to supporting the President's Management Agenda, FAS is pursuing several initiatives in support of OMB's M-17-22 memo regarding the Agency Reform Plan such as improving the Federal Marketplace and consolidating Federal fleet management. FAS continues to support the Agency Reform Plan to provide better value to the Government and taxpayers, as well as achieve savings allowing for investment in other administration priorities.

#### Federal Marketplace Strategy

Efforts to improve the Federal Marketplace include optimizing the buying experience by enhancing FAS's acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness. In FY 2021, the focus around the Federal Marketplace effort entails improving the data underlying product and service search capabilities, assessing the opportunities of buying through commercial e-commerce portals, proof of concept on commercial buying, and expanding implementation of the FAS-wide Acquisition Life Cycle Management system.

#### *Multiple Award Schedule (MAS) Consolidation*

GSA is modernizing Federal acquisition by consolidating our agency's 24 Multiple Award Schedules (MAS) into one single Schedule for products and services - making it easier and more efficient to do business with Federal, state, and local governments. This evolution will be done using a phased approach.

GSA completed the release of the single consolidated MAS solicitation. The new and improved single MAS vehicle is organized in a more logical format with consistent and streamlined terms and conditions and a category structure similar to the Government-wide categories. The new Schedule streamlines the offer process, gets rid of duplication, and employs standardized requirements across the program, such as project experiences and past performance. GSA will transition all current contractors to the new single MAS solicitation and consolidate contracts for contractors that have multiple contracts.

#### *Commercial Platforms*

FAS is also focused on implementing commercial e-commerce platforms in partnership with commercial providers, as directed in Section 846 of the FY 2018 National Defense Authorization Act (NDAA). Through these efforts, FAS is making great strides in improving the Federal marketplace. In FY 2021 and FY 2022, GSA will implement a proof of concept to assess the effectiveness of offering commercial e-marketplace

platform(s) that can provide business-to-business delivery and process orders for commercial off-the-shelf items using the Government purchase card. The goal of this initiative is to modernize the buying experience, and through access to spend data, better manage open-market, online spend -- which is an addressable market of approximately \$6 billion per year.

#### *Catalog Management*

GSA will deliver a superior catalog management capability that improves the buying and selling experience for customers, industry partners, and the GSA workforce by making processes and systems simpler, more modern, and more efficient

GSA has developed a Blueprint to transform GSA's catalog management environment for customers, industry partners, and the GSA workforce. Central to this future-state is a vision for a new Common Catalog that will serve as the single source of truth for ALL FAS catalog data. Within this Common Catalog, FAS and supplier personnel will approve, store, enrich, and maintain catalogs, and deliver higher quality catalog data to GSA's ecommerce platforms. In concert with the establishment of a new Common Catalog, this Future-State Blueprint contemplates improvements to GSA's existing business processes and policies that will ensure future-state catalog system readiness.

#### *Contract Writing System*

GSA plans to deliver an integrated commercial solution that will support the contract acquisition lifecycle and provide a unified set of tools to make the FAS enterprise acquisition process more simple, modern and efficient. GSA is referring to this effort as the FAS Contract Acquisition Life-cycle Management (CALM) initiative.

GSA plans to deliver the CALM solution in phases. Initial functionality includes contract authoring/clause logic, contract award, and contract administration. At the conclusion, CALM will exist as an enterprise-wide, end-to-end acquisition management solution with the flexibility and agility to incorporate additional technologies, scope and functionalities as needs evolve.

#### Federal Fleet Management

To support the goal of consolidating Federal fleet management, FAS has commissioned studies of agencies' vehicle fleets and related equipment to determine the most cost-effective strategies for customer agencies. FAS is nearing completion of a 3-year effort to study 15 agencies' fleets. Eleven of the studies are complete with the remaining analysis expected to be completed during FY 2020. The studies include a lease versus own analysis to determine if leasing from GSA is more cost-effective. The studies also include a review of each agency's fleet operation to

identify other opportunities for savings and for improvement in fleet management. These studies will inform the most appropriate path toward the consolidation of Federal fleet management in order to reduce taxpayer costs and introduce more efficiencies into Federal fleet management.

## **Federal Acquisition Service**

The mission of the Federal Acquisition Service (FAS) is:

*Provide an exceptional customer experience by delivering best value goods and services through an increasingly digital environment.*

The FAS mission reflects a commitment to delivering service, innovation, and value through efficient operations, market expertise, and proactive partnerships with both customer agencies and private sector vendors. FAS accomplishes this mission by providing solutions to partner agencies through six business portfolios that help agencies buy smarter and achieve administrative cost savings throughout the Government.

In order to better carry out this mission, FAS took steps to improve tools and systems for agency buyers and suppliers by: providing more access to data and information; streamlining the ordering process; improving acquisition solutions and contracts; and creating centers of expertise on the products and services FAS provides. In addition, FAS is identifying ways to provide more shared services and platforms for agency partners.

FAS tailors its current offerings to help partner agencies improve transparency, increase competition, and reduce duplication to minimize administrative costs so the agencies can focus on mission-critical activities.

## **FAS Portfolio and Integrator Initiatives**

### **Assisted Acquisition Services**

The Assisted Acquisition Services (AAS) portfolio offers customized acquisition, project management, and financial management services for large and complex projects at best value to the Government. AAS's highly trained contracting, project, and financial management professionals provide direct assistance to partner agencies for the Government's complex IT, professional services, facilities maintenance, research and development, and cybersecurity challenges. This commitment to mission ensures agency requirements are met on time and within budget while reducing contracting risk. AAS provides best value in acquisition, so that partner agencies can focus on their mission-critical activities instead of overseeing acquisition and project management personnel.

The AAS portfolio includes twelve Client Support Centers (CSC), one in each region as well as Central Office. Based on their operating tempo and business capacity, each CSC is able to support clients in other geographic areas to meet the overall needs of the AAS portfolio and best serve customer agency mission requirements.

In FY 2019, AAS's business has grown significantly compared to FY 2018. Obligations increased 24 percent in FY 2019. AAS Business Volume ended the year at \$9.07 billion, a 30 percent increase over FY 2018. To ensure quality as AAS expands, the portfolio established an Acquisition Quality Initiative focused on:

- Increasing knowledge sharing across the enterprise by better leveraging collaborative technology, forums and working groups;
- Identifying best practices and trends by regularly reviewing contract files;
- Providing greater guidance and training to improve contract filing; and
- Establishing enterprise wide guides and templates creating a more consistent customer and industry experience.

In FY 2020 and FY 2021, AAS will continue to promote transparent, sustainable, and superior quality acquisitions across the Government. To meet significant year-over-year increases in customer demand, AAS is increasing agency-partner support through higher staffing levels in the CSCs and by expanding its training programs. Additionally, AAS continues to use a business model that channels demand to acquisition and project management professionals who have the expertise and greatest capacity to meet agency requirements.

The primary areas of AAS expertise have historically included IT and IT services, professional services, and facilities maintenance spending categories. AAS is expanding its focus to include the cybersecurity fields, research and development, and innovative acquisition practices. This enlarged scope of activity includes providing contracting support for the entire acquisition lifecycle, from developing requirements through awarding and administering contracts and task orders.

AAS continues to find opportunities to stand up expanded operational support with customer agencies. For example the AAS National Capital Region provides support to the U.S. Department of Housing and Urban Development's Government National Mortgage Association (Ginnie Mae). Since FY 2015, AAS and Ginnie Mae executed 30 contracting actions with an estimated award value (if all options are exercised) in excess of \$800 million. These partnerships serve as the foundation for future growth in FY 2020 and beyond.

### **Office of General Supplies and Services Categories**

The Office of General Supplies and Services Categories (GS&S) leverages the Government's buying power to procure non-IT products and services at reduced prices, with fast delivery times

and in compliance with the Federal Acquisition Regulation. By establishing acquisition solutions that can be used Government-wide, GS&S allows Federal agencies to avoid contract duplication and eliminates the need for other agencies to develop their own contract vehicles for commercially available items and related services. GS&S also provides personal property disposal and offers sales services to partner agencies.

*Office of Supply Chain Management (SCM)* — provides Federal agencies access to competitively priced products as part of the National Supply System. The SCM business line includes three acquisition centers in Region 2, 6 and 7. The direct vendor delivery and assisted acquisition models enable the program to efficiently meet agency demands for competitively priced products, faster delivery, and lower administrative costs through the elimination of Government inventory holding costs. In FY 2018 and FY 2019, SCM added more than 800,000 part-numbered products to its catalog, which will serve as a growth catalyst for sales in years to come. Also in FY 2019, the U.S. Department of Veterans Affairs partnered with GSA leadership to issue a directive to their field activities making use of GSA Global Supply™ mandatory for all applicable commodity purchases for applicable products.

SCM continues its expansion of the domestic direct-vendor delivery model to overseas military customers operating in the Outside Continental United States combatant commands to improve service levels and shorten customer wait times. The program plans to expand into other combatant commands in the coming years, starting with INDO-PACOM in FY 2020. This is an unprecedented service enhancement primarily but not exclusively for military customers overseas. Additional initiatives in FY 2020 and FY 2021 include utilizing the Best-In-Class (BIC) designation to increase requisition support to civilian agencies, obtaining a greater presence in the DoD enterprise ordering platform called FedMall, and continually improving order-fulfillment channels.

*Office of Retail Operations (RO)* — works with commercial partners to provide custom supply chain solutions for DoD and civilian agencies. This commercialization of the supply chain reduces costs while allowing customers to focus on core competencies by leveraging GSA's acquisition expertise. RO operates retail stores, tool rooms, issue points, and an online portal to provide customers with commercial industrial supplies and office supplies through a fast, convenient, and compliant purchasing method. RO currently operates and manages 35 locations around the world. RO continues to expand Fourth Party Logistics growth. In FY 2020, RO will begin implementation of eight new locations, and, in FY 2021, will begin the re-compete of 12 existing locations.

*Office of Acquisition Management (AM)* — provides Federal agencies with direct access to vendor goods and services through Multiple Award Schedules (MAS) contracts, assisted acquisitions for furniture through the Integrated Workplace Acquisition Center (IWAC) and emergency preparedness and response recovery contracting through the Internal and

Emergency Acquisition Center (IEAC). The AM business line includes four acquisition centers in Region 2, 3, 6 and 7.

AM's management of the supply-related MAS vehicles ensures access to an easy-to-use sourcing solution across Federal agencies. It also saves contracting officers and the vendor community time and money while facilitating billions in Federal purchases each year, many from America's small business community. The AM-led initiative for mandatory order status in FY 2019 has provided increased transparency and accountability for FAS contractors providing mission support products to Government agency customers.

AM's management of the underlying contracts for the supply-related Requisition program facilitates easy ordering and direct delivery through Government-to-Government transfers of National Stock Number (NSN) and commercial part number items via GSA Global Supply™.

The IWAC will continue to partner with PBS to provide furniture to Federal agencies through GSA's Total Workplace solution. GSA's Total Workplace Furniture & Information Technology (FIT) program fuels vigorous and deliberate optimization of the Federal footprint while minimizing the upfront capital needs of customers in right-sizing their operations.

GSA is creating a 21st century workplace across the Government to save money and increase productivity. GSA's overall Total Workplace initiative provides resources and expertise to encourage Federal agencies to reduce their office space, foster collaboration, better manage IT spending, and increase efficiency. FIT allows agencies to lease furniture during a 5-year term and lease IT during a 3-year term, easing the burden of costs while giving agencies the furniture and technology they need to build a more efficient Government.

Under the National Response Framework, IEAC supports the Federal Emergency Management Agency (FEMA). IEAC establishes contingency acquisition solutions to assist FEMA in procuring the commodities and services needed to support their mission utilizing MAS contracts and open market procurements. Examples of commodities and services procured in support of FEMA include: blankets, cots, tarps, plastic sheeting, water, and hygiene kits. During FY 2019, the office facilitated \$7.8 million in transactions on behalf of FEMA, providing assistance from the fallout of Hurricanes Harvey and Irma from the fall of 2017, among other needs. IEAC stands ready to quickly organize the delivery of commodities and services needed for emergency preparedness and rapid response in the event the United States is faced with more natural disasters.

In FY 2019, AM accomplished a number of successes in systems modernization, improved customer experience and improved efficiencies, including:

- Improved processing and delivery times enterprise-wide;
- Implemented Standardized Minimum Order Clause enterprise level;

- Made order status mandatory for all contractors across FAS;
- Reduced minimum order quantity impact by
  - providing an alert in GSA Advantage!®; and
  - reduced Minimum Order Quantity (MOQ) to \$25 through Global Supply™ for on-demand items.
- Implemented Robo Mods for Trade Agreements Act compliance and “Essentially the Same” Ability One compliance;
- Added over one million part numbers and numerous buy on-demand NSNs to contract coverage to enable first pass; and
- Standardized process and trained contracting officers and industry on avoiding, reducing, and remediating frustrated freight.

Having improved contractor performance in FY 2019 through mandatory order status on FAS Schedules, AM will also encourage contractors to utilize Electronic Data Interchange to increase efficiencies and improve compliance numbers by ensuring tracking information is included and delivery times are reduced. In addition, AM will continue to champion the MILSTRIP Ordering Capability on GSA Advantage!® to order Global Supply™ products using AAC/Fund Code and credit card methods of payment by working in partnership with DoD and the GSA Advantage!® Team/Steering Committee. Finally, AM is building on its FY 2019 successes in reducing MOQ variance (having advocated a standardized clause across FAS and implemented an MOQ alert on GSA Advantage!®), by incorporating lower minimums into current and new contracts with a convenience fee option.

In FY 2020 and FY 2021, Global Supply™ will continue to optimally align to support customers’ evolving needs and increasing expectations for delivery and ordering convenience. Leveraging BIC requisitions, GS&S will streamline the buying experience for customers, and generate increased usage of innovative contracting solutions through the following initiatives and contract support efforts:

- Refine business mode, processes, competencies and operations to integrate changes in GS&S to enable a streamlined business line and evolve toward a customer focus of “One GSA Supply Chain”;
- Continue to evaluate systems/programs to ensure agility to respond to game changing technologies that will change how supply chain is managed worldwide (e.g., Mobility, Digitization, and Automation);
- Enhance agency partnership with DoD to be the “go to” for military programs and customers, including extending the domestic direct vendor delivery model to overseas customers including INDO-PACOM award in FY 2020 and expanding the NextGen acquisition solution for RO support in FY 2020; and
- Award the pilot program for the Commercial Platform Initiative in FY 2020, and use lessons learned to enhance and expand the program in the coming years.

All of these innovative contract solutions, process improvements, and modernization efforts will enhance the customer experience so that doing business with GSA continues to be the most efficient and transparent Federal acquisition option.

*Office of Personal Property Management (PPM)* — provides sales services to Federal agencies through the Property Sales Program. Personal Property Sales staff work with agencies to conduct sales of surplus, seized and forfeited or non-excess personal property with a continuing need under the Exchange/Sale authority with the majority of the sales proceeds reimbursed to the partner agency. In FY 2019, PPM returned \$143 million to partner agencies.

In FY 2020 and FY 2021, the PPM program will focus on new Exchange/Sale opportunities to grow business. New business opportunities for FY 2020 include selling TH-67 helicopters for the U.S. Army's helicopter pilot training program and an updated interagency agreement with the U.S. Army's Tank and Automotive Command for the sales of heavy equipment and watercraft. Sales of surplus and seized property are expected to remain relatively steady.

GSA plans to modernize systems that manage the reuse, sales, and disposal of Federal personal property. Current personal property disposal systems are long obsolete at over 20 years old, costly to maintain, and impede efficient Federal personal property disposal. Additionally, the legacy systems do not support customer needs and expose the Government and GSA to considerable risk, as noted in recent findings by GSA's Office of Inspector General. Efforts are underway to find a lean solution to meet statutory requirements, reduce costs, improve the customer experience, and save additional taxpayer dollars by increasing the reuse and financial return on Federal assets.

### **Information Technology Category**

The Information Technology Category (ITC) is improving the customer agency experience by providing access to quality services through multiple acquisition vehicles. These vehicles provide access to small businesses and high quality, innovative suppliers. These contracts will shape and lead future IT category management efforts and facilitate Government-wide IT modernization.

ITC's goals are to be a catalyst for customer mission success and shape Government-wide IT acquisition. In order to achieve these goals and deliver the best value to stakeholders, ITC organizes activities around the major IT subcategories of Telecommunications, IT Hardware, IT Software, IT Services, and IT Security.

*Office of Telecommunications Services (OTS)* - helps Federal agencies acquire network enabled business and telecommunications services needed to accomplish their missions efficiently and at the best possible price. The subcategory consists of network infrastructure,

satellite communications, wireless, mobility, network support, and Infrastructure-as-a-Service and Platform-as-a-Service (IaaS and PaaS).

Enterprise Infrastructure Solutions (EIS) is a comprehensive solution-based vehicle to address all aspects of Federal agency IT telecommunications and infrastructure requirements. With a ceiling of \$50B, EIS is anticipated to be the primary contract vehicle used by federal departments and agencies to obtain their telecommunications services.

Transitioning from the seven Networkx contracts and 85 Local Service Agreements to EIS affects more than \$2 billion in annual business volume and impacts 228 Federal agencies and other Government entities. Agencies rely on these expiring contracts for mission-critical services such as telecommunications, network connectivity, and cybersecurity solutions. These services must be successfully transitioned before the contracts expire to avoid mission-impacting gaps in service.

Based on lessons learned from the previous transition to Networkx, the Office of Telecommunication Services is offering agencies assistance for transition planning, acquisition development, service migration, and inventory tracking and management. GSA is encouraging all agencies to use the EIS transition as an opportunity to transform and modernize their network services.

GSA is extending existing contracts through May, 2023, providing agencies with up to 3 additional years to execute their transition to EIS. GSA is actively addressing the challenges associated with agencies meeting transition deadlines. In addition, GSA has a plan to limit the use of extended contracts for agencies that have not issued task orders or made other progress toward transition by March 31, 2020.

Complex Commercial SATCOM Solutions allows Federal agencies to build large, complex, custom satellite solutions. Solutions include satellite transport (bandwidth), fixed or mobile satellite service, and service-enabling components such as terminals, handsets, and tail circuits with engineering services to integrate, operate, and maintain the solution.

The Schedule 70 Special Item Number (SIN) 132-53 program centralizes and consolidates mobility solutions for increased convenience and rapid access to commercially available wireless solutions and industry partners.

*IT Hardware* — comprises purchase, lease, and maintenance options for communications, computing, electronics, and fiber-optic equipment as well as hardware services.

Of notable success is GSA's Government-wide Strategic Solutions for Desktops and Laptops, which was established in coordination with OMB to assist Federal agency buyers to purchase

desktops and laptops with standard configurations. The program increases the transparency of contract terms and conditions in the IT hardware space and provides a framework to manage hardware spend more closely while achieving better pricing. The standard configurations as well as terms and conditions were developed through interagency collaboration of the Workstations Category Team, a consortium of more than 20 Federal agencies established by OMB. As a result, GSA IT Hardware saw a 274 percent increase in spending for standard configuration desktops and laptops each year for the past 2 fiscal years, which has saved customer agencies over \$42 million in FY 2019.

IT Hardware launched the Government-wide IT Hardware Community of Interest (The Community) to encourage multi-agency coordination and collaboration in cross-cutting IT Hardware focus areas with broad multiple component investment. The Community provides a forum for coordinating cost-saving strategies across the Federal Government, sharing new ideas, technical direction, consolidated buying, and reducing duplication, strategic sourcing, and innovative technology opportunities. The Community focus is on IT Hardware Acquisition, Asset Management, Standardization, and Deployment and Integration. Discussions led to the development of new acquisition and management solution models such as PC and Device-as-a-Service.

In FY 2020, the IT Hardware Category, in conjunction with IT Schedule 70, will launch the Government-wide (to include State and local) 2nd Generation IT (2GIT) Products BPAs. The 2GIT Program and its underlying BPAs will operationalize improved standards for the customer buying experience, Supply Chain Risk Management (SCRM), data collection, and vendor support (modification processing) relative to IT hardware and software purchasing through BIC IT70 contracts. 2GIT will serve as a testbed for scalable, enhanced processes and automation that can later be rolled out as needed to all IT70.

*IT Software* — comprises Infrastructure Software, Enterprise Application Software, and Licensing and Maintenance. The Software category includes both traditional software products and their related licensing and maintenance services. It also includes cloud products and services such as Software-as-a-Service (SaaS) solutions, as well as Infrastructure-as-a-Service and Platform-as-a-Service.

The Software Category partners with DoD's Enterprise Software Initiative to develop BPAs for Federal agency software purchases to aggregate requirements, drive down prices, and establish more consistent licensing terms and conditions.

In FY 2019, the IT Schedule 70 Cloud SIN was updated to include cloud-related IT Professional Services, and the Software Category will continue to provide guidance and outreach to both internal GSA staff (e.g., IT Schedule 70 contracting staff, etc.), external customers (e.g., other Government agencies and end users), as well as working with Schedule 70 contract holders to

ensure they are aware of the changes and to encourage them to migrate cloud-related professional services to the Cloud SIN.

In the third quarter of FY 2019, ITC stood up the Cloud Information Center (CIC). The CIC is an interactive hub on the Acquisition Gateway that connects Federal buyers with commercial cloud providers and delivers timely and strategic resources around fundamental cloud issues like security, technical capabilities, and implementation. The CIC was created to fully align GSA's cloud offerings with OMB's Cloud Smart Strategy (Cloud Smart), the President's Management Agenda, and the Report to the President on IT Modernization. Cloud Smart focuses on how Federal agencies can use cloud to effectively meet their mission-critical needs. It also addresses three common challenges agencies are facing along their cloud journey: enhancing security, streamlining procurement activities, and reskilling the workforce. In FY 2020, the IT Software Subcategory will continue to mature the CIC and include recent and relevant information related to cloud and its use as a tool to promote cloud within the Government and best practices associated with cloud.

In FY 2020, ITC will provide continued guidance and best practices regarding Software Asset Management through the CIC platform that will support agencies in their development of policies, procedures, and business processes that shift uncoordinated, decentralized software purchasing to centralized software management and/or transitioning to cloud environments. We will also provide additional assistance to agencies on an as needed basis and as requested by agencies.

*IT Services* — invests in the development of the next generation of Government-wide Acquisition Contracts (GWACs). Agencies spend approximately \$16 billion annually through GSA's GWACs and Schedule 70 Contract. The next generation GWACs, Alliant 2 and VETS 2 ensure agencies continue to have access to solutions and premier providers of IT services. The new GWAS are designed to meet diverse agency IT services requirements, including any new or emerging technologies in the marketplace, including artificial intelligence, robotic process automation and intelligent automation.

In FY 2020, ITC will stand up the 8(a) STARS III GWAC as a logical follow on for 8 (a) STARS II, GSA's successful small business set-aside GWAC. Currently 8 (a) STARS II provides flexible access to customized IT solutions from a large, diverse pool of 8(a) industry partners. In FY 2019, the 8(a) STARS II GWAC shattered the \$10B program ceiling. As a result, the contract was modified to increase the ceiling to \$15B. All GWAC vehicles are Best in Class and continue to meet the rigorous category management performance criteria.

Following the implementation of the GSA GWAC Scope Review Tool, IT Services has processed more than 500 scope capability review requests. This online tool allows acquisition professionals to securely submit statements of work and requirements for GWAC Program

review and confirmation whether the requirements are within the scope of the applicable GWAC. We will continue to provide this value added service in to assist acquisition professionals in meeting their acquisition goals. The Scope Review Tool may be accessed from the GWAC website and is hosted at OMB's MAX.gov website, [gsa.gwac.gov](http://gsa.gwac.gov).

GSA refined Schedule 70 in FY 2019 by adding new SINs for cybersecurity and automated contact center. IT Services assists Federal buyers with contact center requirements by developing customer-centered acquisition documents, including common challenges and potential solutions for contact center design and operation to help buyers think through various contact center scenarios. GSA launched the “contact center acquisition information center” on OMB Max to provide customers with acquisition templates as well as acquisition assistance.

*IT Security* — provides products and services to protect information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentiality, integrity, and availability. These products and services are key requirements for many Federal, State, and local government customers; they protect privacy and health data and are vital for maintaining national security.

The subcategory also participates in the development of the Supply Chain Risk Management program to increase the security of GSA-offered IT products and services. The program provides standard methodologies, procedures, tools, and templates for category managers to apply to ITC contracts, thereby enabling agencies to make better risk-based purchasing decisions.

Another high-impact program managed within the subcategory is the Highly Adaptive Cybersecurity Services (HACS) Program, which ensures ongoing vendor technical evaluation, and customer outreach to assist agencies in complying with Government-wide requirements to assess, monitor, and manage High Value Assets. In FY 2019, HACS were consolidated from four SINs into a single SIN, with five subcategories to include multiple new facets of services. This consolidation supports GSA's goal of simplifying the acquisition process through the reduction of SINs. ITC also intensified focus on customer support through multiple avenues, such as training, speaking engagements, and outreach to agencies that have upcoming expiring cybersecurity contracts. This increased direct support to customers has proven key in increasing HACS SIN awareness and utilization. This is evident through the increase in HACS utilization. FY 2019 (\$63.261 million), compared to FY 2018 (\$5.337 million).

The USAccess HSPD-12 Managed Service Office provides a Federal Information Processing Standard Publication 201 compliant Personal Identity Verification card issuance service to 104 Federal agencies, commissions, and boards credentialing more than 600,000 Federal employees and contractors.

The Federal Public Key Infrastructure (FPKI) Management Authority is a shared service enabling identity management practices for secure physical and logical access, and information sharing across Federal agencies and between external business partners through the execution of digital certificate policies and standards. FPKI provides Government-wide benefits and helps Federal agencies comply with key cybersecurity mandates, directives, and policies.

### **Professional Services and Human Capital Categories**

The Office of Professional Services and Human Capital Categories (PSHC) manages non-IT professional and human capital services contract programs, and leads the Federal Government's professional services category activities. PSHC's is working to be the preferred provider and recognized leader in delivering professional services, human capital, and charge card management services to the Federal Government by:

- Providing strategic leadership, oversight, and management of FAS's professional services, human capital services, and charge card management programs and contracts.
- Being a value-added business partner to all Federal agencies in the planning and execution of professional and human capital services acquisitions.
- Delivering best-in-class professional services and human capital services contracting solutions meeting agency needs, drive spend under management, decrease the creation of duplicative contracts, create savings, and improve public policy and the Government's socio economic interests.

### *Professional Services*

The Professional Services Category is the second largest category of contract spend in the Federal Government. In FY 2019, \$77.9 billion in total contract spend was awarded, \$17.72 billion of which was awarded through PSHC Government-wide contracts on the Multiple Award Schedule (PS-MAS) and One Acquisition Solution For Integrated Services (OASIS). While not part of the professional services addressable spend for purposes of market sizing, an additional \$32.77 billion was spent using GSA's financial services GSA SmartPay® 3 contract for purchase, travel, and fleet cards.

To support agencies with achieving their professional services category management goals, in FY 2020, PSHC will focus on these initiatives:

- Strategic account engagement to support the top ten Federal agencies with professional services spend achieve their goals through use of PSHC's best-in-class (BIC) OASIS and GSA SmartPay® 3, and Tier 2 spend under management (SUM) PS-MAS contracts.
- Increasing refunds earned through the GSA SmartPay® 3 contract.

- Education and training via webinars, social media, and in-person events for both agency buyers and industry.
- Hosting professional services contract opportunities forecasting events for industry.
- To increase SUM, continue work to implement the professional services Supplier Success Strategy to support industry with their federal business development work by providing feedback, training, and data about agencies planned procurements.
- As part of FAS's Federal Marketplace initiative, lead a cross functional Services Experience Team to improve FAS's services contracts.
- Implement the Civilian Services Acquisition Workshop (CSAW) program. The CSAW is modeled after a Department of Defense (DOD) proven practice for developing performance-based solicitation and contracts that more effectively meet agency needs.
- Maintain and enhance services-focused digital tools used for market research.

PSHC's professional services category management work focuses on improving SUM through use of its PS-MAS and OASIS contracts. Each contract program provides agencies access to vetted and responsible companies. Highlights of each program and FY 2020 improvement initiatives follow:

- PS-MAS provides Federal agencies with access to over 4,600 SUM Tier 2 contracts that allow agencies to acquire a full range of knowledge-based services (e.g., management, engineering, financial, integrated marketing, logistics, environmental, and language). In FY 2019:
  - \$9.6 billion in professional services contracts were awarded through PS-MAS.
  - 909 requests (offers) to be added to the contract were received from industry.
  - 462 new contracts were awarded.
  - Contract award timeliness improved by 56%, from an average of 184 days to 81 days.

In FY 2020 and FY 2021, PS-MAS will focus on consolidating its contracts as part of FAS's Federal Marketplace MAS consolidation initiative, and will expand training to both agency buyers and industry in how to use and manage their PS-MAS contracts and task orders.

- OASIS provides access to 481 BIC contracts that provide complex commercial and noncommercial program management, management consulting, logistics, engineering, scientific, social science, and financial services. Since their award in FY 2014, \$20.9 billion in contract obligations, and in FY 2019:
  - \$7.3 billion in contract obligations were made, nearly half of which were awarded to small businesses.

- 81 new contractors were added to the program through an on-ramping initiative that supports the Federal Government's goal of improving SUM through BIC contracts

In FY 2020, PSHC will complete its OASIS on-ramping initiative that will increase the number of contracts available to Federal buyers from 481 to approximately 1,100 and achieve its program goals of:

- Ensuring there is a flexible, vibrant, and experienced pool of professional services contract providers.
- Improving competition.
- Providing more BIC contract opportunities for small businesses.
- Establishing a new OASIS 8(a) contract program.

In FY 2021, PSHC will focus on supporting Federal buyers with using the contracts through the program's expanded industrial base.

- GSA SmartPay® program is the world's largest government charge card and related payment services program, which serves over 560 Federal agencies, organizations, and Native American governments. The GSA SmartPay® program provides customer agencies with a portfolio of purchase, travel, fleet, and integrated payment solutions with no upfront cost. Through BIC master contracts with multiple banks, agencies and organizations across the Government are able to obtain innovative payment solutions to support their mission needs. In FY 2019:
  - 4.3 million accounts (through more than 95 million transactions) acquired goods and services totaling \$32.5 billion, a 6.2 percent increase over FY 2018.
  - \$420.1 million in refunds were received from contractor banks in FY2019. GSA SmartPay has generated more than \$4.2 billion in refunds since its inception in 1998.
  - The program led the successful Government-wide transition from GSA SmartPay® 2 to GSA SmartPay® 3. GSA SmartPay® 3 contains significant new opportunities for customer agencies to maximize card and cardless payment solutions.

In FY 2020 and FY 2021, PSHC will focus on supporting agencies in increasing refunds received through the GSA SmartPay® program by expanding the use of card and cardless payment solutions, as well as increasing the use of the purchase card for purchases under the recently increased micro-purchase threshold.

- PSHC will also explore knowledge-based services contract program improvements in FY 2020 and FY 2021. With the expiration of OASIS contracts' ordering periods in 2024, as part of FAS's Federal Marketplace Initiative, PSHC will lead a project to develop a Services Marketplace that will improve upon and replace the OASIS contract program.

### *Human Capital*

In support of the Federal Human Capital category led by OPM, PSHC offers a wide variety of human resources and administrative services that improve the quality of human capital outcomes through simplified buying processes. Through two human capital acquisition programs, PSHC provides Federal buyers access to contractors that provide both simple and complex services that support the entire human-capital life cycle as described in the Federal Human Capital Business Reference Model (HCBRM)<sup>1</sup>:

- HC-MAS, manages more than 700 Tier 2 SUM contractors through GSA's MAS program. In FY 2019, agencies spent \$724 million through these contracts. In FY 2020 and FY 2021, HC-MAS will focus on consolidating its contracts as part of FAS's Federal Marketplace MAS consolidation initiative, and will expand training to both agency buyers and industry in how to use and manage their HC-MAS contracts and task orders.
- Human Capital and Training Solutions (HCaTS), a BIC contract, provides complex commercial and noncommercial human capital and training services through over 150 contracts. The contracts are jointly managed through a unique and collaborative partnership between OPM and FAS. In FY 2019:
  - \$105,521,602 million in contract obligations were made.
  - 26 new small business contractors were added to the program through an on-ramping initiative that supports the Federal Government's goal of improving SUM through BIC contracts.

In FY 2020, PSHC will complete an on-ramping initiative to establish a HCaTS 8(a) contract program with approximately 20 contractors. This work will expand the benefits of the HCaTs program by allowing agencies to achieve their small disadvantaged business goals through this contract program.

In FY 2021, PSHC will focus on supporting Federal buyers with using the HCaTS contracts through the program's expanded industrial base.

### **Technology Transformation Services**

Technology Transformation Services (TTS) aims to transform the way Government agencies build, buy, and share technology. TTS helps agencies make their services more accessible, efficient, and effective by building, providing, and buying technology applications, platforms, processes, personnel, and software solutions. In FY 2020, TTS will continue to partner with agencies, industry, and the digital technology community to build the foundation for the Government's digital transformation. TTS puts an emphasis on working in the open and putting users at the center of everything it designs.

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<sup>1</sup> The HCBRM, an OPM model, provides a simplified view of HR statutory requirements, operational functions, and policy ownership to the Federal workforce and industry.

*Office of 18F* — partners with agencies to help them deliver high-quality digital experiences for their users from discovery through acquisition. The 18F program accomplishes this by modeling user-centered, iterative approaches to buying and building software.

18F also provides acquisition consulting services and through the TTS Office of Acquisition it provides assisted acquisitions to aid agency partners in using a modular approach to buying IT software and services.

The 18F program has improved on several key financial and performance metrics in FY 2019 despite the adverse effects of the five-week Government shutdown. In FY 2019, billable staff utilization averaged 59.4% percent compared to 57% in FY 2018.

In response to recommendations from a 2016 GAO report, 18F has identified outcome-oriented goals and is collecting metrics against performance targets:

- Developing digital services capacity within our partner organizations
- Producing prototypes and sites that adhere to the 21st Century Integrated Digital Experience Act (IDEA)
- Including agile elements in partner solicitations
- Reducing partner procurement lead time
- Maintaining customer satisfaction levels
- Fully recovering program costs

In FY 2020 and FY 2021, 18F will continue to focus on making the organization run more efficiently by increasing billable staff utilization and will focus on continuing to bring in more business. In addition, 18F will be working to grow its IT assisted acquisitions business to supplement its operations and bring the program to full cost recovery.

*Presidential Innovation Fellows (PIF) Program* — attracts top innovators from the private sector into the Government, to tackle issues at the convergence of technology, policy, and process. PIF pairs Fellows with top Federal agency change-makers to address some of the Nation's most significant technology challenges. The goal is to embed talented technology leaders into agencies to challenge existing paradigms by rethinking problems and leveraging novel, agile approaches. In FY 2019, PIF had 26 fellows leading initiatives at 11 agencies. Additionally, 20 new Fellows joined on October 1, 2019. FY 2020 and 2021 goals include continuing to grow the program, aiding TTS with AI adoption across Government and coordination with White House AI efforts, creating more strategic relationships with select agency partners, working more closely with other TTS programs, and better sharing the impact that Fellows have across the Government.

The PIF program has improved on several key financial and performance metrics in FY 2019 despite the adverse effects of the five-week Government shutdown. In FY 2019, PIF was fully cost recoverable with an end-of-year NFI of \$73K. Through Q1 of FY20, the PIF program is already on track to again recover all costs for FY20. PIF also launched the first program customer experience survey in FY19 and had very positive feedback with a net promoter score (NPS) of 90 across all agency partners.

*Login.gov* — is an authentication and identity verification platform available for use by Government partners. Login.gov simplifies secure access to online Federal services for the public, while reducing costs for taxpayers and Federal agencies. The platform was designed and developed as a partnership between TTS and U.S. Digital Service and leverages over a dozen private sector tools and services. Login.gov currently serves over 41 agency applications in production with over 19 million registered users as of Dec 2019. Login.gov continues to grow rapidly, adding approximately one million new users every month since March 2018. All current level one authentication agency partners are paying customers, and Login.gov had a 100 percent renewal rate in FY 2019. The platform received a FedRAMP moderate ATO in July 2019, and obtained one additional partner ATO, which will allow the program to scale Identity assurance level two (NIST IAL2) proofing capabilities. Meanwhile, the program continues to pilot IAL2 proofing with two agencies and with a number of other agencies lined up to sign on to the platform now that the ATO has been granted. In FY 2020 and FY 2021, Login.gov anticipates at least 90 percent renewal rate with agencies and 50 percent or higher growth in user base.

*Cloud.gov and Federalist* — are two shared-services designed to expedite cloud adoption Government-wide. Both products accelerate the procurement, ATO, and security compliance processes, allowing teams to focus on delivering the highest value to their users.

Cloud.gov is a cloud-based platform-as-a-service, tailored for the needs of the Federal Government. It maintains a FedRAMP Joint Authorized Board Moderate-level and gives teams a strong security and compliance foundation for new digital services. In FY 2019, It operated in eight Federal agencies and used over 43 production systems. Cloud.gov has a renewal rate of 95 percent and maintains a growing and dedicated user-base. In FY 2020 and FY 2021, Cloud.gov anticipates increased demand for cloud services and is well-positioned to expand to new offices and agencies.

Federalist is a modern publishing platform for Government websites. In a matter of minutes, a team can build a new website using the U.S. Web Design System. Federalist is built on the Cloud.gov's infrastructure and carries a built-in ATO provided by GSA. With Federalist, teams can launch a new website to production in days, not months. In FY 2019, it hosted 135 production websites in nine agencies, serving over 65 million visitors per year. Recent legislation requiring all new sites to be accessible and mobile-friendly has driven demand for Federalist, and will result in continued growth of the platform in FY 2020 and FY 2021.

*Centers of Excellence (CoE)* — focuses on enterprise-wide modernization by engaging agencies on the following functional areas: Artificial Intelligence, Cloud Adoption, Contact Center, Customer Experience, Data Analytics, and Infrastructure Optimization. At the end of FY 2018, the CoE started implementation of modernization projects at U.S. Department of Agriculture (USDA) and began a discovery phase at U.S. Department of Housing and Urban Development (HUD).

In FY 2019, the CoE continued engagements at USDA and HUD, and kicked off new engagements at the U.S. Office of Personnel Management (OPM) [May 2019], Consumer Product Safety Commission (CPSC) [August 2019], and the Department of Defense Joint Artificial Intelligence Center (JAIC) [September 2019].

The USDA CoE FY19 implementation phase activities resulted in the:

- 'Ask USDA' contact center, a solution that consolidated three contact centers into one and uses a single USDA knowledge base, which provides a consistent experience for USDA customers by providing contact center staff access to centralized and accurate knowledge articles;
- CoE Farm Loans Program customer journey map, which led to the enhancement of Farmers.gov to enable farmers to see their loan balance online, has a farm loan discovery tool, and includes an eligibility calculator and application guides for farmers seeking a loan.
- Implementation of Voice of the Customer (VOC), which allows USDA programs to receive and address feedback from citizens across the U.S.; and
- Closure of a total of 35 data centers to-date, resulting in \$42 million in cost savings and avoidance.

The HUD CoE FY19 discovery phase activities produced the following:

- Development of a low income senior citizens customer journey map that focuses on the process to find housing, and includes citizens high and low points in the process which informs future focus areas;
- Establishment of a new Office of Customer Experience (OCX) Advisory Board to define key functions of the new OCX capabilities within HUD;
- Plan to implement a centralized Contact Center, called HUDCentral, to improve the customer's experience while engaging with HUD;
- Approach and supporting documentation to stand up a Chief Data Office, advanced analytics, and visualization capabilities, which positions HUD to increase data transparency and program effectiveness; and
- Development of a prototype to accelerate the migration of paper-based forms to web-based to simplify processes and reduce operating costs.

The OPM CoE FY19 engagement activities resulted in the following:

- Within 3-months, solicited and awarded a \$14M contract focused on stabilizing existing mainframes that support several critical services;
- Establishment of a data governance body and comprehensive data strategy to help drive innovation in data management practices; and
- Development of requirements to modernize and simplify the Federal personnel retirement calculations and an acquisition package to implement the requirements.

The CPSC CoE FY19 discovery phase resulted in the following:

- Procurement of a vendor team to support the data discovery activities; and
- Initial capture of their current state focused on their data capabilities.

The JAIC CoE FY19 discovery phase kicked off at the end of September and coincided with the CoE establishment of a new GSA Artificial Intelligence (AI) Center of Excellence in FY19. The JAIC engagement will focus on:

- Joint Common Foundation (JCF) Strategy for the architecture, design, and implementation plans; and
- JAIC Acquisition Modernization Strategy to effectively procure modern AI solutions.

In FY 2020, the CoE will begin implementation efforts at HUD, OPM, and JAIC which will build upon the efforts of the FY 2019 discovery phases, such as consolidating the HUD contact centers, installing a new and stable mainframe at OPM, and procuring foundational tools to support the establishment of the JAIC JCF. At USDA, the CoE will kick off the next phase of the Ask USDA contact center implementation. For CPSC, the CoE will finish their discovery phase, which includes the delivery of current and target state assessment and a data analytics strategy and implementation plan. In addition, the CoEs will initiate new discovery and implementation efforts with two to three additional customer agencies throughout FY20.

### **Travel, Transportation and Logistics Categories**

The Travel, Transportation and Logistics Categories (TTL) provides agencies with a broad scope of innovative and cost-effective services including travel, transportation and relocation services, motor vehicle acquisition, and fleet management services. Operations within this portfolio include the following business lines:

*Vehicle Purchasing* — is a mandatory source for DoD and Executive agencies purchasing non-tactical vehicles. TTL provides services that reduce overhead costs across the Government associated with multiple vehicle acquisition programs through shared service. By aggregating the demand and thus increasing the negotiating power of the Federal Government, the Vehicle

Purchasing program saves on the overall cost of vehicles, obtaining prices substantially lower than dealer invoice. Each year, the Federal Government procures approximately 50,000 vehicles through GSA's Vehicle Purchasing program. In addition, GSA Fleet standardized equipment packages that are mission ready for Agency customers, law enforcement, ambulatory/handicap/special needs, medium/heavy duty trucks, and other first responder vehicles, such as firefighting, counterterrorism, diplomatic/executive security, and disaster/recovery vehicles.

*Vehicle Leasing* — provides full-service leases for more than 220,000 non-tactical vehicles to Federal agencies each year. The program provides agencies with end-to-end fleet management services including: vehicle acquisition and disposal; maintenance control and accident management; fuel and loss prevention services; and a fleet management system that provides data and analytics on fleet operations. The National Maintenance Control Center and the National Accident Management Center support all leased vehicles by offering agencies preventive maintenance, repair, and accident management services at best value. The use of these centers prevents the Government from incurring higher maintenance costs. The program also provides a GSA Fleet Card with each vehicle for the purchase of fuel and minor maintenance, helping the program control costs and monitor waste, fraud, and abuse.

The program is committed to improving fuel efficiency across the leased fleet. Each year, GSA replaces eligible vehicles in the GSA-leased fleet with new, more fuel-efficient vehicles. By the end of FY 2019, the new vehicle additions to the fleet had an average mile per gallon rating 15.75 percent higher than the vehicles they replaced.

GSA Fleet continues to work with Federal agencies to consolidate agency-owned vehicles, replace costly commercial leasing arrangements, and improve the collection and management of data that are essential in effectively acquiring and managing fleet vehicles. In FY 2019, GSA Fleet successfully transitioned 1,805 agency-owned vehicles into GSA's leased fleet and ordered 5,049 additional vehicles for customers to support expanded mission requirements, replace commercial leases or replace agency-owned vehicles.

As part of the Agency Reform Plan efforts, GSA Fleet concluded the study of eleven agencies by the end of FY 2019. Analysis of another four agencies is expected to be completed in FY 2020. The studies reviewed agency data on vehicle acquisition and maintenance to determine if consolidation with GSA fleet would be the most advantageous for the taxpayer. Some vehicle consolidations are underway based on study results with work expected to continue for several years. Based on the study results, GSA is analyzing ways to improve data collection and management to better inform Federal fleet management.

*Travel, Employee Relocation, and Transportation* — manages three program and acquisition centers offering a variety of services related to the travel and relocation of Federal employees

and the transportation of Federal property: the Center for Travel Management, the Employee Relocation Resource Center, and the Center for Transportation Management.

In FY 2020, the programs will focus on their category management and continued Government-wide customer service and supplier relationship management strategies, specifically improving data collection and analytics for better performance management and increasing category spend under management.

*Center for Travel Management* — primarily manages the E-Gov Travel Service (ETS), City Pair Program, FedRooms<sup>®</sup> lodging and Travel Services Solution Schedule. ETS provides web-based, end-to-end travel management services that include: travel planning, authorization, online booking, travel agency support, and reimbursement to civilian agencies. In FY 2019, ETS had 58 agencies deployed on the second generation E-Gov Travel Service Solution (ETS2). The City Pair Program leverages the Government's buying power and negotiates discounted airfares with commercial airlines. In FY 2019, partner agencies used the City Pair Program to purchase 7.5 million flight segments, saving \$2.648 billion Government-wide when compared to similar commercial airfares. The FedRooms<sup>®</sup> lodging program offers Federal employees nearly 6,800 properties globally. In FY 2019, FedRooms<sup>®</sup> increased agency adoption to 19.7 percent, resulting in savings of more than \$41 million Government-wide. The Travel Services Solution Schedule provides emergency management lodging and travel management center offerings. In FY 2020 and FY 2021, the Center for Travel Management will look to strategically expand its business offerings in alignment with Government-wide Category Management, specifically with regard to DoD travel management center services, ride-share, and long-term lodging.

*Employee Relocation Resource Center* — The Employee Relocation Resource Center (ERRC) is a Government-wide center for employee relocation products and services. The ERRC offers Federal agencies a streamlined procurement process with flexible programs, subject matter expertise, and program support for two primary offerings for executive agencies: employee relocation services and household goods shipping services. The center is a mature program with high customer and supplier engagement and loyalty. In FY 2019, the program secured more than 85 percent agency adoption with civilian agencies. In FY 2020, the ERRC will partner with the Center for Transportation Management to collapse system requirements and deploy a modernized rate-procurement and shopping system at less cost to the Government.

*Center for Transportation Management* — provides two major services: multimodal freight and transportation schedule services, which offer competitive rates, industry expertise, and management of transportation services for civilian customers Government-wide. In FY 2019, the program served a critical role in supporting FEMA's response to the California wildfires, Typhoon Yutu, and Hurricanes Florence and Michael.

## **FAS Integrators**

The FAS integrator offices support the business portfolios while providing strategic, organizational, and policy guidance to the business units. Integrator offices maintain FAS business processes and IT systems; provide contracting support; build strategic partner relationships; and support the FAS workforce.

*Executive Direction* — is composed of the Office of the Commissioner (which includes the MAS PMO and the Workforce Transformation Division) and the Regional Commissioners' offices. The Office of the Commissioner provides leadership and overall executive and program direction to ensure the mission and responsibilities of FAS are effectively carried out. Each of GSA's 11 regions contain a Regional Commissioner's Office that oversees regional FAS operations while ensuring that the acquisition needs of Federal agencies are met.

The MAS PMO manages and governs GSA's Multiple Award Schedules (MAS) program. The PMO operationalizes the MAS program's strategic vision, which includes data analytics, policy development, stakeholder engagement, systems modernization, and training guidance. The PMO acts as a central decision point for issues and initiatives affecting the overall MAS program, fostering collaboration across both the GSA Business Lines and Operational Support portfolios. The PMO supports the consistent implementation of MAS policy developed by the Office of Policy and Compliance to support GSA's Acquisition Workforce and external customers and partners. The PMO makes decisions and/or recommendations to GSA leadership related to the ongoing operations and improvement of GSA's MAS program within the parameters of all statutory and regulatory requirements. Finally, the PMO coordinates the national guidance for the Industrial Operations Analyst function related to contractor visits/audits, assessments, and reports.

The Workforce Transformation team is responsible for ensuring the workforce is set up for success in accomplishing FAS's mission, today and into the future. This includes centrally managing the talent pipeline through the Emerging Leaders and Intern programs. These programs bring in soon-to-be and recent college graduates, provide training in soft skills and different technical tracks, and manage a rotational experience for 2 years before placing the participants in a permanent position in the business lines and regions. Workforce Transformation also leads Workforce Capability Maturity Model Planning for FAS, and conducts Capability Assessments and Succession Planning exercises with FAS portfolios, regions, and integrator offices. The team additionally manages FAS Employee Engagement, leading the analysis and application of Federal Employee Viewpoint Survey (FEVS) data. In support of FAS Employee Engagement, the team distributes a monthly newsletter to the FAS workforce, highlighting resources and training & development opportunities. The team also sponsors monthly workshops that address soft skills, including collaborative team building, effective communication, and successfully handling crucial conversations.

*Office of Customer and Stakeholder Engagement (CASE)* — identifies and addresses customer needs utilizing the Voice of the Customer, Voice of the Supplier, data analytics, and customer feedback. CASE manages the FAS opportunity pipeline and uses the principles and practices for strategic account management to ensure that FAS is coordinated with customers and industry partners. CASE engages with the vendor community and Federal, State and local agencies through communications, training, industry events, and the FAS corporate content on the GSA.gov channel.

In FY 2020 and beyond, CASE will continue to support the improvement of service to FAS suppliers and customers by coordinating with FAS business lines using the Voice of the Customer, Voice of the Supplier, Customer Relationship Management, and Sales Engagement efforts. CASE has developed an opportunity pipeline review and analysis process that will assist FAS in understanding how to better anticipate agency requirements and improve FAS solutions. CASE is working with the portfolios to capture all relevant customer relationship data in a single repository for use across FAS. CASE will also continue to expand on GSA-sponsored training events, including the debut of the Federal Acquisition Service Training Conference 2020.

*Office of Enterprise Strategy Management (OESM)* — manages FAS's strategic planning, leads high-impact FAS-wide efforts such as the Federal Marketplace initiative and the transition to an integrated digital experience, helps the FAS programs develop and execute business plans to meet their goals, and provides support to the 10 Government-wide category managers, and continue working with agencies on adoption of category management practices. In FY 2021, OESM will more tightly integrate FAS's investment and executive performance planning processes, including organization-specific performance reporting, which will result in further improvements in FAS's ability to execute business strategies and achieve business goals. The Office will also continue execution of the Federal Marketplace Strategy dedicated to making it easier to do business with FAS. FY 2021 Federal Marketplace improvements focus on continued consolidation of the Schedules program, improving the underlying data supporting product and service search capabilities offered through GSA contracts, assessing the proof of concept on commercial buying, and expanding implementation of the FAS-wide Contract Acquisition Lifecycle Management system. In FY 2022, OESM will refine the digital tools and services available to agency buyers, suppliers and the FAS acquisition workforce. The Office will also shepherd FAS data assets to ensure data standardization, transparency and privacy, which will support data-driven decision making.

*Office of Policy and Compliance* — establishes the standards and framework for managing FAS's acquisition workforce and is dedicated to contract integrity and facilitating a consistently positive agency partner experience. This office ensures that operating practices are consistent across business lines and that FAS activities are compliant with applicable laws, regulations and policies. This office maximizes the use of data tools and analytics allowing the comparison of like products sold through FAS across the Government and Commercial marketplaces. This

enables FAS to overcome data quality issues at scale, and reduce the burden of analysis placed on the acquisition workforce. In response to the Secure Technology Act (December 21, 2018), this office leads the development of the Supply Chain Risk Management (SCRM) strategy and implementation plan for FAS and supports the Federal Acquisition Security Council through GSA's council member, the FAS Commissioner. This office has developed innovative activities to support SCRM in FAS through the blending of data and process automation for the removal of prohibited products. Additionally, OPC is the FAS lead on implementation of Section 889 of the FY2019 NDAA, which requires prohibition on contracting for certain telecommunications and video surveillance services and equipment and is one of the executive leads for Commercial E-Commerce Platforms (Section 846 of the FY2018 NDAA).

*Contracting Division* — supports the acquisition needs of client agencies doing business with the AAS and ITC portfolios. By providing pre- and post-award contracting support, the office maximizes competition, reduces lead time procurement costs, and ensures that customer objectives are being satisfied.

*FAS IT Systems* — is an organization within GSA IT that provides development, operational, and management services and support to FAS business systems and applications. FAS IT partners with the Office of Systems Management (OSM) and FAS's portfolios to synthesize business system requirements around enterprise strategy and system architecture. FAS IT incorporates its business knowledge and technological expertise to choose and implement the best solution available for FAS programs. In FY 2019, FAS IT focused on a new acquisition strategy for procuring IT support in preparation for the sunseting of the current task orders. The strategy includes a small business contract specific for Architectural, Engineering, and Advisory (AEA) support along with a multiple award BPA for system development and operations. The AEA contract will be a strategic component in evaluating ways to modernize and rationalize existing IT systems to be more enterprise-focused. It will also provide support to strengthen the common architecture, tools, and processes to be used across all system development and operation vendors to implement the changing technological capacities of FAS and externally serviced Federal agencies. In FY 2020, FAS IT will continue to partner with OSM and the FAS portfolios to plan, architect, develop, and deploy modernized systems, leveraging cloud, COTS, and open source to the greatest extent possible.

*The Office of Systems Management (OSM)* — serves as the program and product management resource for FAS internally; and externally, to manage and deliver on the Integrated Award Environment (IAE) to partner agencies. OSM is composed of IAE and the Common Acquisition Platform (CAP).

*The Integrated Award Environment (IAE)* — is a Presidential E-Government initiative managed by GSA in collaboration with agency partners. The IAE uses innovative processes and technologies to improve systems and operations for those who award, administer, or receive

Federal contracts or financial assistance awards. IAE is nearing completion of a ten-year effort to consolidate 10 disparate systems into a cohesive, modern infrastructure that supports the applications necessary to collect, manage, and make available data and information critical to the integrity of the Federal awarding processes of taxpayer dollars.

IAE made significant strides in FY 2019, including decommissioning the Past Performance Information Retrieval System and Wage Determinations OnLine. SAM.gov and FPDS.gov were successfully transitioned to the AWS cloud, saving the Government from procuring new hardware. IAE awarded a new contract for entity validation that separates validation services from identification, introducing competition and eliminating proprietary data ownership and entity identification.

IAE will continue procurement data modernization initiatives that include migrating the functionality of the remaining seven legacy systems to the new environment in FY 2020 and FY 2021 while supporting more self-service analytics and authentications such as authentication of entity provided information. Using human centered design principles, IAE will partner with agency users and stakeholders to implement the new unique entity identifier, streamlined entity validation processes, self-service reporting, and new Federal Service Helpdesk.

*The Common Acquisition Platform* — serves as the program and product management resource for FAS, working with FAS business lines as well as all integrator functions to reengineer existing FAS business processes, enhance existing acquisition systems, and integrate new IT product systems and tools. CAP focuses on consolidating and modernizing FAS business systems supporting employees, customer agencies, and industry partners in the Federal acquisition process.

In FY 2019, CAP stood up operational teams with FAS business owners and GSA IT to design and plan for FAS's major initiatives driven by the Federal Marketplace Strategy. These include but are not limited to: GSA Advantage!®, the FAS Sales Reporting Portal, Contract Writing, Catalog Management, and MAS Consolidation. CAP continued to expand its product management to identify, prioritize, and implement improved customer experience, e.g., GSA Advantage!® enhancements and user requirements to implement the upcoming MAS consolidation implementation.

CAP led in the development and establishment of the FAS Systems Governance Committee (FSGC). The FSGC serves as the recommending body to the FAS Commissioner on investment decisions that govern the development and execution of enterprise-wide systems delivery, maximizing customer satisfaction, and delivering high-quality acquisition solutions. Since its establishment, the FSGC has articulated the investment review process and criteria for the succeeding fiscal years, reviewed and provided recommendations on over \$200 million of investments, and begun development of a performance metric to monitor the progress of

investments. In FY 2020, CAP will continue to coordinate with FAS stakeholders and advisors to identify and catalog all spend on FAS acquisition systems and execute on proposed business architecture and investment strategy in alignment with the FAS Strategic Plan.

**U.S. General Services Administration**

**WORKING CAPITAL FUND**

**Fiscal Year 2021 Budget Estimate**

**CONTENTS**

Appropriations Language .....	2
Working Capital Fund Overview .....	2
Program Description .....	3
Amounts Available for Obligation .....	5
Explanation of Changes .....	6
Working Capital Fund by Staff Office .....	8
Description of WCF Services by Office .....	10
Working Capital Fund Bill by Staff and Service Office .....	22

## Appropriations Language

*For the Working Capital Fund of the General Services Administration, \$90,000,000, to remain available until expended, of which \$70,000,000 shall be used for costs incurred transitioning Office of Personnel Management functions to the General Services Administration and for costs related to modernizing, upgrading, or replacing the Office of Personnel Management's information technology, and of which \$20,000,000 shall be used for the costs incurred by the General Services Administration and other agencies associated with transferring Government payroll functions to the General Services Administration's NewPay solution: Provided, That such funds may be transferred and credited to other accounts at the General Services Administration and the Office of Personnel Management and other agencies in amounts necessary to cover or reimburse costs incurred for the purposes provided herein: Provided further, That amounts made available under this heading shall be in addition to any other amounts available for such purposes.*

## Working Capital Fund Overview

The FY 2021 estimate for the Working Capital Fund (WCF) is \$806 million including funding from all sources. The U.S. General Services Administration (GSA) continues to realize operational efficiencies, strengthen management controls, and improve performance by centralizing management and enterprise-wide functions and services within the WCF. This has allowed GSA to establish more consistent processes, uniform policies, and higher quality services while achieving economies of scale and stronger internal controls.

The FY 2021 WCF budget estimate for internal operations of \$666.7 million includes \$23 million to fund investments and new customer requirements with \$27 million in savings and reductions identified to offset these investments. Reductions include GSA IT contractual and Full-time Equivalent (FTE) reductions, Office of the Chief Financial Officer (OCFO) efficiencies, and reductions in rent and contractual costs achieved by consolidating employees from GSA's Region 11 National Capital Region (NCR) building into the Central Office headquarters (HQ) at 1800 F Street. These targeted reductions are limited to areas that minimally impact service levels.

This budget provides funding for high-priority initiatives such as the Office of the Chief Information Officer (GSA IT) network refresh, cybersecurity, and Robotics Process Automation (RPA) implementation across GSA. These critical investments reinforce the customer-supplier relationship by aligning service delivery to demand, ultimately enabling WCF customers to execute their missions more effectively.

The FY 2021 WCF budget requests \$70 million in no-year appropriated funds to support the transition of U.S. Office of Personnel Management (OPM) functions to GSA. Funding will be

used to purchase new IT equipment, analyze and incorporate OPM business processes into GSA processes, incorporate OPM systems into GSA's network, move and transition OPM staff, and perform audit and security assessments of those systems. The FY 2021 budget also requests \$20 million in no-year appropriated funds for NewPay migration costs, which supports the Government's goal to start transitioning all employees serviced by a Federal payroll shared service provider (SSP) based model to a payroll Software as a Service (SaaS) solution. The NewPay request is discussed in greater detail on page WCF-21 and in the Summary section of the FY 2021 Congressional Justification.

GSA continues to evaluate functions that are most effectively delivered through the WCF. The FY 2021 estimate includes a transfer of \$577 thousand and 3 FTE into the Office of Strategic Communications (OSC) WCF account to consolidate similar functions across different GSA offices, and also includes a transfer out of \$14 million from the Office of Administrative Services (OAS), which will simplify the way GSA pays rent to the Public Buildings Service (PBS) at GSA's Headquarters in Washington, DC.

The WCF will continue to work closely with customers to identify efficiencies and meet their mission-support needs, while providing higher-quality service and stronger management controls.

### **Program Description**

The WCF is a revolving fund that finances GSA's administrative services. These include, but are not limited to: IT management, budget and financial management, legal services, human resources, equal employment opportunity services, procurement and contracting oversight, emergency planning and response, and facilities management of GSA-occupied space. This account also funds liaison activities with the U.S. Small Business Administration (SBA) to ensure that small and disadvantaged businesses receive a fair share of the Agency's business. WCF offices also provide external administrative services such as human resource management for other Federal agencies, including a number of small boards and commissions on a reimbursable basis. GSA's WCF operations are divided into four types of services: **Internal Services, External Services, Major Equipment Acquisition & Development, and Direct Appropriations**

**Internal Services:** Enterprise-wide management functions and costs shared by all components of GSA, including GSA rent, IT and telecommunications services, human resource services, procurement operations, facilities management for GSA-occupied space, legal services, and financial management services. These costs can be categorized by the following service areas: direct services to specific customers, common services to all customers, administrative/overhead functions, and third-party pass-through services such as transit subsidy benefits.

**External Services:** The WCF provides or coordinates delivery of administrative services to other Federal organizations including small boards and commissions as well as larger agencies like OPM. GSA provides human resource services, IT and telecommunications services, and payroll support to these customers. GSA is reimbursed for the cost of providing these services through Interagency Agreements. The WCF also provides administrative support to home state or district offices for members of Congress. To accommodate a growing set of external services as GSA expands its shared service offerings, the budget requests the flexibility to receive advance payments in the WCF, as discussed in the “Administrative Provisions” section of this Congressional Justification.

**Major Equipment Acquisition & Development:** Per 40 U.S.C. § 3173(d), the equipment acquisition and development activity may be utilized for agency-wide investments to implement the Chief Financial Officers Act of 1990 such as: acquisition of capital equipment, automated data processing systems, and financial management and management information systems. These funds, which are composed of expired balances transferred from prior-year GSA appropriations, may be used only with the advance approval from the Committees on Appropriations of both houses of Congress. To enable GSA to make the best use of these funds, the budget requests the flexibility to use these funds on acquisition of services as well as equipment, as discussed in the “Administrative Provisions” sections of this Congressional Justification.

**Direct Appropriations:** The WCF will support costs for the necessary transition and transformation activities required to transfer OPM programs, including systems and people, to GSA, and will also support costs related to the Government’s goal to transition all employees serviced by a Federal payroll SSP to a SaaS solution and to retire the legacy applications upon completion of the implementation.

**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
<b>Unobligated Balances:</b>			
Carry forward	\$ 95,536	\$ 108,408	\$ 86,657
Recoveries from prior year balances	\$ 6,334	\$ 5,000	\$ 5,000
Transfers In (Lapsed Balances)	\$ 10,057	\$ -	\$ -
Transfers In (TMF)	\$ 20,714	\$ 9,753	\$ 5,181
Transfers Out (TMF)	\$ -	\$ (2,537)	\$ (4,120)
Direct Appropriations	\$ -	\$ -	\$ 90,000
Revenue	\$ 684,458	\$ 705,305	\$ 705,989
Obligations:	\$ (708,691)	\$ (741,809)	\$ (805,989)
Development	[59,493]	[59,493]	[49,493]
<b>Total, Unobligated Balances</b>	<b>\$ 108,408</b>	<b>\$ 86,657</b>	<b>\$ (3,162)</b>
<b>Revenue:</b>			
<u>Operating Programs:</u>			
Internal Services	\$ 663,460	\$ 665,971	\$ 666,655
External Services	\$ 20,998	\$ 39,334	\$ 39,334
<b>Total, Revenue</b>	<b>\$ 684,458</b>	<b>\$ 705,305</b>	<b>\$ 705,989</b>
<b>Obligations:</b>			
<u>Operating Programs:</u>			
Internal Services	\$ 684,570	\$ 702,475	\$ 666,655
External Services	\$ 24,121	\$ 39,334	\$ 39,334
Development	\$ -	\$ -	\$ 10,000
Direct Appropriations	\$ -	\$ -	\$ 90,000
<b>Total, Obligations</b>	<b>\$ 708,691</b>	<b>\$ 741,809</b>	<b>\$ 805,989</b>
<b>Net Outlays</b>	<b>\$ (9,432)</b>	<b>\$ 42,000</b>	<b>\$ 78,000</b>
<b>Total Employment (FTE)</b>	<b>1,871</b>	<b>2,021</b>	<b>2,052</b>

**Notes:**

GSA requests an appropriation of \$70 million to support the transition of OPM to GSA and an appropriation of \$20 million to support the migration of NewPay.

U.S. General Services Administration  
Working Capital Fund

**Explanation of Changes**  
(Dollars in Thousands)

	Internal		External		Major Equipment Acquisition & Development		Direct Appropriations		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FY 2020 CJ	2,000	688,608	20	35,059	0	10,000	0	50,000	2,020	783,667
Revised FY 2020 Plan	1,992	702,475	29	39,334	0	0	0	0	2,021	741,809
Net Change	(8)	13,967	9	4,275	0	(10,000)	0	(50,000)	1	(41,758)
<b>FY 2020 CJ</b>	<b>2,000</b>	<b>688,608</b>	<b>20</b>	<b>35,059</b>	<b>0</b>	<b>10,000</b>			<b>2,020</b>	<b>783,567</b>
<b>Increases - Investments</b>										
GSA IT - Security Operations Center as a Service	0	3,200							0	3,200
OHRM - Emerging Leaders Program	10	710							10	710
OMA - Common Operating Picture Tool	0	350							0	350
GSA IT - NewPay (TMF)	0	6,308							0	6,308
GSA IT - Database (TMF)	0	8,044							0	8,044
Subtotal, Increases - Investments	10	18,610	0	0	0	0	0	0	10	18,610
<b>Increases - Base</b>										
WCF - Carryover Projects from FY 2019	2	3,894							2	3,894
GSA IT - Digital Signature Solution (DSS) Licenses		188							0	188
GSA IT - Project Management Software as a Service		180							0	180
GSA IT - OAS Requirements		203							0	203
GSA IT - Security Compliance Requirements		307							0	307
OAS - WCF 1800F Rent		1,403							0	1,403
OAS - WCF Regional Rent		717							0	717
OAS - WCF Nationwide Security		375							0	375
OCE - Additional FTEs	2	300							2	300
OCFO - Various Contact Increases		305							0	305
OCFO - Additional FTEs	4	649							4	649
OCFO - Additional Robotics Staff	10	1,085							10	1,085
OGC - Additional Attorneys (AAS Support)	4	600							4	600
OHRM - Federal Occupational Health Room		123							0	123
OHRM - Flexible Spending Account		49							0	49
OHRM - OPM Credit Monitoring Service		14							0	14
OGP - Electronic Capital Planning and Investment Control (eCPIC)			8	3,775					8	3,775
OGP - eRulemaking			1	500					1	500
Subtotal, Increases - Base	22	10,392	9	4,275	0	0	0	0	31	14,667
<b>Decreases - Base</b>										
GSA IT - Various Efficiencies		(3,395)							0	(3,395)
GSA IT - Reduction of 14 FTE	(14)	(2,330)							(14)	(2,330)
OHRM - Unfunded Vacancies	(10)	0							(10)	0
OCFO - Efficiencies to FTE	(12)	0							(12)	0
OCFO - Efficiencies to FTE redirected to Robotics	(4)	(464)							(4)	(464)
GSA IT - NewPay Non-Recur (TMF)		(3,664)							0	(3,664)
GSA IT - Database Non Recur (TMF)		(5,181)							0	(5,181)
OPM Transition - Decrease from FY 2020 Enactment								(50,000)	0	(50,000)
QSMO - Lapsed Balance Request for NewPay						(10,000)				(10,000)
Subtotal, Decreases - Base	(40)	(15,034)	0	0	0	0	0	(50,000)	(40)	(75,034)
Net Change	(8)	13,967	9	4,275	0	0	0	(50,000)	1	(41,758)
Revised FY 2020 Plan	1,992	702,475	29	39,334	0	10,000	0	(50,000)	2,021	741,809

U.S. General Services Administration  
Working Capital Fund

	Internal		External		Major Equipment Acquisition & Development		Direct Appropriations		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Revised FY 2020 Plan	1,992	702,475	29	39,334	0	0	0	0	2,021	741,809
FY 2021 Estimate	2,023	666,655	29	39,334	0	10,000	0	90,000	2,052	805,989
Net Change	31	(35,820)	0	0	0	10,000	0	90,000	31	64,180
<b>Revised FY 2020 Plan</b>	<b>1,992</b>	<b>702,475</b>	<b>29</b>	<b>39,334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,021</b>	<b>741,809</b>
<b>Transfers (In / Out)</b>										
OAS - 1800F Rent Payment Transfer		(14,358)							0	(14,358)
OSC - FTE from Operating Expenses	3	577							3	577
<b>Subtotal, Transfers (In / Out)</b>	<b>3</b>	<b>(13,781)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>(13,781)</b>
<b>Increase - Investments</b>										
GSA IT - Network Refresh	0	5,356							0	5,356
OHRM - Workers' Compensation Case Management Program	0	494							0	494
OHRM - ELP (FY20 and FY21 classes)	11	710							11	710
OPM Transition	0	0					70,000		0	70,000
New Pay Migration	0	0					20,000		0	20,000
<b>Subtotal, Investments</b>	<b>11</b>	<b>6,560</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>	<b>11</b>	<b>66,560</b>
<b>Increase - Base</b>										
GSA IT - OAS Requirements	0	405							0	405
GSA IT - Security Compliance Requirements	0	772							0	772
OCFO - Additional Robotic Process Automation Support	0	410							0	410
OCFO - Additional FTE for Mission Critical Areas	9	1,434							9	1,434
OCFO - Additional PC&B for current workforce	0	646							0	646
OGC - Additional Attorneys (AAS Support)	6	900							6	900
OHRM - Contract Increases	0	87							0	87
OSBU - Technology Improvements	0	163							0	163
OSC - Increase of 19 FTE	19	2,918							19	2,918
QSMO - Lapsed Balance Request for NewPay						10,000				10,000
<b>Subtotal, Increase - Base</b>	<b>34</b>	<b>7,735</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>17,735</b>
<b>Decrease - Base</b>										
WCF - Non Recur Carryover Projects from FY 2020		(3,894)							0	(3,894)
GSA IT - Non Recur NewPay (TMF)		(6,306)							0	(6,306)
GSA IT - Non Recur Database (TMF)		(8,044)							0	(8,044)
GSA IT - Reduce remote access options		(750)							0	(750)
GSA IT - Reduction due to using Google Chromebook		(750)							0	(750)
GSA IT - Reduction in VoIP phone numbers		(750)							0	(750)
GSA IT - Reduction due to Artificial Intelligence (AI)		(750)							0	(750)
GSA IT - Digital Signature Solution (DSS) Licenses (Non-Recur FY 2021)		(118)							0	(118)
GSA IT - Reduction of MS Office Licenses		(1,500)							0	(1,500)
OAS - 1800F Collocation cost savings		(900)							0	(900)
OAS - R10 ROB Move (Non-Recur in FY 2021)		(3,700)							0	(3,700)
OAS - WCF 1800F Rent (Non-Recur in FY 2021)		(1,403)							0	(1,403)
OAS - WCF Regional Rent (Non-Recur in FY 2021)		(717)							0	(717)
OAS - WCF Nationwide Security (Non-Recur in FY 2021)		(375)							0	(375)
OCFO - Efficiencies to FTE	(17)	(882)							(17)	(882)
OCFO - Efficiencies to Financial Management Contracts		(646)							0	(646)
FMLoB - Non Recur from FY 2020 for Pegasys Upgrade		(4,500)							0	(4,500)
OMA - Common Operating Picture Tool (Non-Recur FY 2021)		(350)							0	(350)
<b>Subtotal, Decrease - Base</b>	<b>(17)</b>	<b>(36,335)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17)</b>	<b>(36,335)</b>
<b>Net Change</b>	<b>31</b>	<b>(35,821)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>90,000</b>	<b>31</b>	<b>64,179</b>
<b>FY 2021 Estimate</b>	<b>2,023</b>	<b>666,655</b>	<b>29</b>	<b>39,334</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>90,000</b>	<b>2,052</b>	<b>805,989</b>

U.S. General Services Administration  
Working Capital Fund

**Working Capital Fund by Staff Office**  
(Dollars in Thousands)

	FY 2019		FY 2020		FY 2021	
	FTE	Actual	FTE	Plan	FTE	Plan
Office of GSA Information Technology	487	\$287,426	535	\$292,172	535	\$ 278,181
Office of Chief Financial Officer	523	\$ 90,072	531	\$ 93,176	523	\$ 93,938
Financial Management Line of Business (FMLoB)	0	\$ 51,669	0	\$ 59,890	0	\$ 54,732
Office of Human Resources Management	269	\$ 69,413	290	\$ 69,098	301	\$ 70,389
Office of Administrative Services	145	\$ 80,716	156	\$ 74,924	156	\$ 52,396
Office of Mission Assurance	113	\$ 42,104	123	\$ 43,485	123	\$ 43,135
Office of General Counsel	146	\$ 26,726	163	\$ 28,684	169	\$ 29,735
Office of Government-wide Policy	32	\$ 8,261	36	\$ 8,618	36	\$ 8,618
Office of Strategic Communication	74	\$ 13,607	79	\$ 14,410	101	\$ 17,470
Office of Civil Rights	21	\$ 3,860	23	\$ 3,942	23	\$ 3,942
Office of Small Business Utilization	37	\$ 6,061	38	\$ 6,314	38	\$ 6,357
Office of Customer Experience	6	\$ 2,229	8	\$ 2,262	8	\$ 2,262
Quality Service Management Office	5	\$ 2,430	10	\$ 5,500	10	\$ 5,500
<b>Subtotal, Staff Office Internal Authority</b>	<b>1,858</b>	<b>\$684,570</b>	<b>1,992</b>	<b>\$702,475</b>	<b>2,023</b>	<b>\$ 666,655</b>
Office of GSA Information Technology	0	\$ 5,254	0	\$ 9,029	0	\$ 9,029
Office of Chief Financial Officer	7	\$ 2,289	9	\$ 2,549	9	\$ 2,549
Office of Human Resources Management	3	\$ 1,222	7	\$ 1,573	7	\$ 1,573
Office of Mission Assurance	0	\$ 1,024	0	\$ 3,000	0	\$ 3,000
Office of Government-wide Policy	3	\$ 11,937	13	\$ 19,375	13	\$ 19,375
Office of Congressional & Intergovernmental Affairs	0	\$ 1,061	0	\$ 1,248	0	\$ 1,248
Office of Customer Experience	0	\$ 338	0	\$ 1,750	0	\$ 2,500
Office of Civil Rights	0	\$ -	0	\$ 60	0	\$ 60
Quality Service Management Office	0	\$ 995	0	\$ 750	0	\$ -
<b>Subtotal, Staff Office External Authority</b>	<b>13</b>	<b>\$ 24,121</b>	<b>29</b>	<b>\$ 39,334</b>	<b>29</b>	<b>\$ 39,334</b>
OCFO Systems Acquisition & Development	0	\$ -	0	\$ -	0	\$ 10,000
<b>Subtotal, Major Equipment Acquisition &amp; Development</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ 10,000</b>
OPM Transition	0	\$ -	0	\$ -	0	\$ 70,000
New Pay Migration	0	\$ -	0	\$ -	0	\$ 20,000
<b>Subtotal, Direct Appropriations</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ 90,000</b>
<b>Total, Working Capital Fund</b>	<b>1,871</b>	<b>\$708,691</b>	<b>2,021</b>	<b>\$741,809</b>	<b>2,052</b>	<b>\$ 805,989</b>

**Working Capital Fund Obligations by Object Class**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
11.1 Full-time, permanent.....	\$ 219,047	\$ 227,595	\$ 226,789
11.3 Other than full-time permanent.....	\$ 1,773	\$ 205	\$ 175
11.5 Other personnel compensation.....	\$ 3,566	\$ 3,148	\$ 3,230
11.8 Special personnel services payments.....	\$ -	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ 87,121	\$ 70,986	\$ 70,723
13.0 Benefits for former personnel.....	\$ 392	\$ 3,268	\$ 3,470
21.0 Travel and transportation of persons.....	\$ 5,747	\$ 5,851	\$ 5,847
22.0 Transportation of things.....	\$ 1,015	\$ 1,161	\$ 1,198
23.1 Rental payments to GSA.....	\$ 37,973	\$ 34,467	\$ 17,306
23.2 Rental payments to others.....	\$ 35	\$ -	\$ -
23.3 Communications and utilities.....	\$ 22,894	\$ 22,190	\$ 22,191
24.0 Printing and reproduction.....	\$ 57	\$ 63	\$ 63
25.1 Advisory and assistance services.....	\$ 222,186	\$ 256,232	\$ 231,912
25.2 Other services from non-Federal sources.....	\$ 2,290	\$ 4,276	\$ 93,994
25.3 Other goods & services from Federal sources	\$ 44,592	\$ 51,429	\$ 66,096
25.4 Operation and maintenance of facilities.....	\$ 3,624	\$ -	\$ -
25.6 Medical care.....	\$ 0	\$ -	\$ -
25.7 Operation and maintenance of equipment.....	\$ 524	\$ -	\$ -
26.0 Supplies and materials.....	\$ 988	\$ 893	\$ 1,040
31.0 Equipment.....	\$ 54,608	\$ 59,982	\$ 61,891
32.0 Land and structures.....	\$ 80	\$ -	\$ -
42.0 Insurance claims and indemnities.....	\$ 179	\$ 65	\$ 65
43.0 Interest and dividends.....		\$ -	\$ -
<b>99.0 Obligations, Appropriated (Annual).....</b>	<b>\$ 708,691</b>	<b>\$ 741,810</b>	<b>\$ 805,989</b>
<i>Subtotal, PC&amp;B.....</i>	<i>\$ 311,899</i>	<i>\$ 305,202</i>	<i>\$ 304,387</i>
<i>Subtotal, Non-labor.....</i>	<i>\$ 396,792</i>	<i>\$ 436,609</i>	<i>\$ 501,602</i>

Notes: GSA requests an appropriation of \$70 million to support the transition of OPM to GSA and an appropriation of \$20 million to support the migration of NewPay.

## Description of WCF Services by Office

### **Office of GSA Information Technology (GSA IT): FY 2021 Estimate - \$287.2 million**

#### Internal Services: FY 2021 Budget Estimate - \$278.2 million

Providing IT support to all GSA offices, GSA IT also designs and delivers innovative IT solutions that ensure integration between GSA systems and organizations. GSA IT directly supports GSA's management objectives to streamline IT, support cybersecurity, capture high-quality data, and improve reporting. In its execution of IT services, GSA IT incorporates its business knowledge and technological expertise to identify the best solution available for its customers.

GSA IT provides a standardized agency wide approach to infrastructure management and operations designed to maximize resources and optimize the efficiency of enterprise systems and organizational staff. GSA IT manages internal IT assets, server resources, network resources, and end-user devices. These responsibilities include: planning and governance, systems access controls, systems user training, IT security and integrity, local support, help desk functions, all circuits, wireless services, teleconferencing, and telephony.

GSA IT is facing increased demand for services from GSA business lines, while at the same time continuing to modernize how IT services are delivered to the agency. To enhance its delivery, GSA IT needs to have the right level of skilled staff and contractor support to meet business line needs, stay abreast of current technological initiatives, and remain innovative. GSA IT is working closely with the Office of Human Resource Management to identify the appropriate training and conduct targeted hiring to acquire employees with the needed skills.

GSA IT continues to find opportunities for streamlining the IT environment, eliminating redundancy and, through continued targeted investment, is pursuing innovation and optimization of the technology environment. GSA IT is increasing IT value by identifying costs and aligning those to mission value, and driving the effective and efficient use of IT through Technology Business Management. Through this effort, the agency is focusing on building out data gaps that exist so that it can pinpoint areas for IT run efficiencies, focusing specifically on applications and infrastructure in the initial phase.

GSA IT identified reductions to offset increases that support high-priority efforts such as:

- Infrastructure modernization to upgrade circuits across the US, which include both software and hardware;
- Cybersecurity, including a Security Operations Center as a Service (SOC), which will allow GSA to have round-the-clock (24 hours a day/7 days a week/365 days a year)

monitoring that will provide an immediate response capability to security issues outside of normal business hours, as required by the U.S. Department of Homeland Security Cybersecurity Maturation Plan; and

- Continued development of continuous diagnostics and mitigation tools across GSA.

**External Services: FY 2021 Budget Estimate - \$9.0 million**

The Office of GSA IT provides a cost-effective, secure platform to deliver administrative systems services to external clients. The Office of Corporate IT Services provides professional systems support for payroll and labor distribution systems. This Office supports other IT functions such as business requirements and change management, systems operations and maintenance, financial data management and reporting, systems access control, security and integrity, systems user training, and help desk support. The Office of Acquisition IT Services also supports customers using GSA acquisition systems and IT knowledge to facilitate the development of requirements, cost estimates, and plans for replacing legacy systems. In FY 2019, GSA IT started supporting the U.S. Department of Defense through a 3-year interagency agreement that leverages functionality from GSA's Acquisition Gateway system. GSA IT also provides services and supports the network back-end systems required by the U.S. Election Assistance Commission.

**Office of the Chief Financial Officer: FY 2021 Estimate - \$96.5 million**

**Internal Services: FY 2021 Estimate - \$93.9 million**

The Office of the Chief Financial Officer (OCFO) provides GSA with financial management services including: budget formulation and execution, financial reporting and operations, internal controls, data management and analytics, and performance management. OCFO is responsible for the development and submission of the annual GSA Budget, the GSA Strategic Plan, the Annual Performance Plan, and the Agency Financial Report.

OCFO will continue to serve as a partner and financial advisor to GSA's Services and Staff Offices and lead value generation for GSA and the Federal Government. OCFO is leading Robotics Process Automation (RPA) implementation at GSA and hosts the RPA Community of Practice for the Federal Government. OCFO will move from low-value work to high-value work through RPA, eliminating and optimizing low-value processes, and delivering high-value services such as data analytics, business planning, and performance management.

OCFO will continue to deliver high performance in managing traditional financial management activities such as improving internal controls, supporting the annual financial statement audit, managing our financial management shared services provider (i.e., U.S. Department of Agriculture [USDA]), and supporting the performance management framework.

OCFO provides dedicated financial support to PBS and the Federal Acquisition Service. This includes budget formulation and execution support, reimbursable work agreement processing, and rent revenue estimation and collection.

External Services: FY 2021 Estimate - \$2.5 million

OCFO provides payroll support to 33 independent agencies, boards, and commissions on a fee-for-service basis.

**Financial Management Line of Business (FMLoB): FY 2021 Estimate - \$54.7 million**

Internal Services: FY 2021 Estimate - \$54.7 million

In line with Government-wide efforts to utilize financial shared services, GSA divested its Financial Shared Service Provider (FSSP) Line of Business to USDA in March 2015 to focus on its core mission. USDA also assumed responsibility for development, operation, and maintenance of GSA's primary financial management system, Pegasys. GSA continues to use these systems through a partnership with USDA.

**Office of Human Resources Management: FY 2021 Estimate - \$72 million**

Internal Services: FY 2021 Estimate - \$70.4 million

The Office of Human Resources Management (OHRM) is focused on helping GSA attract, motivate, develop, retain, and reward employees. OHRM provides and maintains an evolving portfolio of effective and innovative end-to-end human resource and human capital solutions that meet partner and external stakeholder needs, including providing meaningful Human Resource (HR) data, analysis, and consultation to help customers make informed business decisions. Through improved service delivery models, OHRM is focused on hiring, developing, and retaining a talented and diverse mission-ready GSA workforce.

OHRM provides HR services in a consolidated manner to reduce redundancy while still ensuring a standard level of service for recruitment, staffing, and employee development. These services include GSA enterprise-wide programs such as workers' compensation, transit subsidy, health room services, child care subsidy, and unemployment compensation. Funding also provides training contracted through one of OHRM's multiple blanket purchase agreements that covers a wide range of classes and programs.

OHRM's FY 2021 estimate for internal services is \$70.4 million. OHRM estimate includes \$5.5 million to fund operations & maintenance (O&M) support for the HR Links system that went live in June 2018 and will complete the migration to IBM's HR and Time Attendance (T&A) systems. OHRM will also continue to focus on return-to-work programs and workers' compensation case file reviews in an effort to reduce the overall costs of the workers'

compensation program, including the purchase of a new workers' compensation case management system.

External Services: FY 2021 Estimate - \$1.6 million

The OHRM Commissions and Boards Services office coordinates the provisions of administrative services provided by all GSA business lines to small boards and commissions and other Federal organizations. GSA services provided in conjunction with this office include, but are not limited to: human resources management, legal support, contracting, office space, furniture, phones, IT, and equal employment opportunity, and employee or labor relations support for approximately 25 customer organizations. OHRM provides human resources support to clients of the OAS Commissions and Boards Services office. In addition to the support provided to the small Federal boards and commissions, OHRM provides human resources services, such as HR Links, to OPM and other Federal agencies.

**Office of Administrative Services: FY 2021 Estimate - \$52.4 million**

Internal Services: FY 2021 Estimate - \$52.4 million

The Office of Administrative Services (OAS) is responsible for general administrative and management services for GSA. These include, but are not limited to: executive correspondence, forms, directives, audit responses, coordination of agency Freedom of Information Act (FOIA) requests, internal contracting, and travel and purchase card oversight. OAS also provides workspace planning, facility design, facilities management, and workplace services tenant support on a national scale. OAS administers rent and security expenditures for offices funded by the WCF in GSA-occupied space including GSA's Washington, DC, headquarters facility at 1800 F Street, NW.

OAS's FY 2021 estimate of \$52.4 million funds major areas of responsibility including payment of GSA internal fleet program, funding nationwide space alteration and maintenance requests, and payments for rent and security costs of all GSA WCF organizations.

FY 2021 will be the first full fiscal year after completion of the GSA Central Office and National Capital Region (NCR) collocation project managed by OAS. Vacating the GSA space at the NCR building will reduce the agency's footprint by approximately 250,000 usable square feet and show a cost savings of \$2,699,681 in rent and security services. An estimated 1,000 FTE relocated to Central Office and by utilizing existing shared services, OAS will save \$750 thousand from service contracts tied to the legacy NCR space.

**Office of Mission Assurance: FY 2021 Estimate - \$46.1 million**

Internal Services: FY 2021 Estimate - \$43.1 million

The Office of Mission Assurance (OMA) ensures resilience and continuity of GSA's critical business processes by integrating and coordinating activities across all domains of security (physical, personnel, cyber, and supply-chain risk management) and emergency management. This includes funding and managing all of GSA's background investigations for FTEs and contractors, Homeland Security Presidential Directive 12 credentialing, managing GSA's Insider Threat program, and contingency and continuity planning. OMA provides an enterprise-wide approach to mission assurance planning, while ensuring the safety, privacy, and security of GSA facilities, people, and IT assets nationwide. OMA's FY 2021 Estimate of \$43.1 million is flat from the FY 2020 Budget request which reflects how OMA leverages efficiencies, continues refinement of best practices, and identifies savings needed to offset cost increases due to mission priorities.

External Services: FY 2021 Estimate - \$3 million

OMA is also responsible for coordinating GSA's response to national emergencies and disasters, as outlined in the National Response Framework - Emergency Support Function #7 *Logistics*. The costs of logistical services provided in response and recovery efforts are recovered through mission assignments issued by the Federal Emergency Management Agency. The requested level of authority ensures OMA will be able to immediately accept and begin any and all mission assignments in response to natural disasters or other emergencies, such as a particularly severe hurricane season. OMA also provides support to clients of the OAS Commissions and Boards Services office.

**Office of General Counsel: FY 2021 Budget Estimate - \$29.7 million**

Internal Services: FY 2021 Estimate - \$29.7 million

The Office of General Counsel (OGC) provides legal support to all GSA offices and programs, except the Office of Inspector General and the Civilian Board of Contract Appeals (CBCA). This includes providing all the legal services for PBS, FAS, the Office of the Administrator, and the offices within the WCF.

OGC also provides legal support for litigation before the CBCA, defends the agency against contract claims under the Contract Disputes Act; defends protests before the U.S. Government Accountability Office; and assists the U.S. Department of Justice with claims filed in Federal court. OGC defends the agency against tort claims, injury, or other damage claims arising out of the management of Federal buildings and the operation of GSA fleet vehicles. Other legal

services involve contracting, acquisition policy, management of real and personal property, historic preservation, environmental compliance and litigation, personnel and labor relations, appropriations law, FOIA, the Privacy Act, the Federal Advisory Committee Act, and regulations implementing GSA authorities including the Federal Acquisition Regulation, the Federal Travel Regulation, and the Federal Management Regulation.

OGC also advises on responses to congressional inquiries, assists in the preparation of congressional testimony, develops and manages the GSA ethics program, and supports alternative dispute resolution efforts.

### **Office of Government-wide Policy: FY 2021 Request - \$28.3 million**

#### **Internal Services: FY 2021 Estimate - \$8.6 million**

The Chief Acquisition Officer and the Senior Procurement Executive in the Office of Government-wide Policy (OGP) provide services and support for acquisition professionals throughout GSA including FAS, PBS, and GSA's internal acquisition functions. Responsibilities include:

- Updating and maintaining the General Service Acquisition Regulations, along with the development of procurement policies and guidance for GSA's contracting activities;
- Supporting professional development of GSA's acquisition workforce, including coordinating and overseeing warranting and certification programs as well as the Center for Acquisition Professional Excellence, for more than 9,000 members of GSA's acquisition workforce;
- Performing suspension and debarment services as well as other corrective actions for troubled GSA contracts;
- Ensuring compliance and integrity in GSA's contract activities through procurement management reviews;
- Maintaining the acquisition portal, a single source for acquisition news, the acquisition library, and other resources for GSA's acquisition workforce; and
- Conducting performance measurement and data analytics to promote transparency and drive improvements into the acquisition function.

#### **External Services: FY 2021 Request - \$19.4 million**

There are three external programs supported within OGP:

- The Electronic Capital Planning and Investment Control application is a web-based, Government-owned, fee-for-service technology solution Federal agencies use to support their internal IT portfolio management, IT capital planning, and IT governance processes. The FY 2021 Request to support this program is \$9.7 million;

- The Performance Management Line of Business is an interagency effort to develop Government-wide performance management capabilities to help meet the transparency requirements of the Government Performance and Results Act Modernization Act of 2010, and support Government-wide performance management efforts, including Performance.gov. The FY 2021 Request to support this program is \$1.2 million; and
- The eRulemaking program, which has been transferred to GSA from the U.S. Environmental Protection Agency, fulfills the requirements under the E-Government Act of 2002, the Clinger-Cohen Act, and the Government Paperwork Elimination Act, as well as furthering the effectiveness and efficiency of Government. The FY 2021 Request to support this program is \$8.5 million.

**Office of Strategic Communication: FY 2021 Estimate - \$17.5 million**

Internal Services: FY 2021 Request - \$17.5 million

The Office of Strategic Communication (OSC), consisting of the Media Affairs, Operations, and Client Communications divisions, is GSA's singular resource for all internal and external communication needs. OSC's main responsibility is to use communications to help the agency meet its mission and business goals. In FY 2021, OSC will be adding 19 FTE and \$3 million to better provide a consistent agency-wide communication strategy. Additionally, three Office of Strategic Communication FTE will be realigned from the Operating Expenses account to the Working Capital Fund (WCF).

Media Affairs carries out the agency's effort to help the media and the public understand the important work performed by GSA as it assists other agencies. Media Affairs acts as the official point of contact for national media inquiries and works closely with communication teams in all 11 GSA regions to ensure there are experts available to reply to any reporter's questions. The Media Affairs PMO also maintains editorial control over most of GSA's social media presence and handles all requests for outside speaking engagements.

The Operations Division includes both the Digital and Visual Communication Program Management Offices (PMOs) and the Strategy and Resource Management Program Office. The Digital Communications PMO provides enterprise-wide web governance and develops strategy, standards, policies, and guidelines on the agency's web content and the presentation of that content, including facilitating implementation of OMB and agency decisions concerning online content and presentation. The Visual Communications PMO provides assistance on graphic products including video production, live streaming, graphics, and photos, as well assistance with event coverage.

The OSC Client Teams are in-house communication teams, working directly with GSA's business lines and staff offices. They provide complete communication services, including developing and executing strategic communication plans and solutions to support high-priority

GSA initiatives. OSC accomplishes its mission with a coordinated, integrated program of messaging and strategic communication initiatives.

**Office of Civil Rights: FY 2021 Estimate - \$4.0 million**

**Internal Services: FY 2021 Estimate - \$3.9 million**

The Office of Civil Rights (OCR) Equal Employment Opportunity Program protects GSA employees and employment applicants from being subjected to actual or perceived discrimination and/or harassment in the workplace on the basis of age, color, disability, race, national origin, religion, sex, genetic information, and retaliation for protected equal employment opportunity activity. OCR promotes the prevention of discrimination through policy, training, outreach, and affirmative employment planning, and enforces non-discrimination by processing equal employment opportunity complaints of discrimination pursuant to 29 CFR § 1614.

OCR's FY 2021 Estimate of \$3.9 million supports continued efforts to improve mission achievement. GSA has transformed equal employment opportunity complaint processing from a regionally based to functionally based process to eliminate fragmentation, to standardize and optimize processes, and to improve the level of service provided to our customers.

**External Services: FY 2021 Estimate - \$60 thousand**

OCR provides equal employment opportunity services to other Federal agencies on a cost-reimbursable basis. These services include equal employment opportunity counseling, mediation, investigation, and complaint adjudication.

**Office of Small Business Utilization: FY 2021 Estimate - \$6.4 million**

**Internal Services: FY 2021 Estimate - \$6.4 million**

The mission of the Office of Small Business Utilization (OSBU) is to promote increased access by small and disadvantaged businesses to GSA's nationwide procurement opportunities. OSBU works with GSA services and staff offices to help direct GSA contracts to various categories of small businesses. These include businesses that are small and disadvantaged, veteran-owned and service-disabled veteran-owned, women-owned, and located in historically underutilized business zones.

OSBU monitors and implements small business policies and manages a range of programs within the scope of the Small Business Act of 1953, as amended by Pub. L. 95-507. This includes, but is not limited to:

- Project, monitor, and actively influence prime small and socio-economic small business goals;

- Participate as a member of the acquisition team during the forecast of opportunities development and the acquisition planning phase;
- Collaborate with the acquisition workforce in negotiating higher subcontracting goals by utilizing past performance and the historical data from the certified subcontracting matrix.
- Utilize data analytics and strategic processes to improve the small business experience with GSA;
- Maintain and enhance tools to access opportunities;
- Reduce burden and increase efficiency and effectiveness for the agency; and
- Serve as the liaison between GSA's acquisition workforce and the SBA's procurement center representatives, ensuring collaboration and appropriate approvals are obtained.

GSA's small business programs foster entrepreneurial opportunities, provide opportunities to new business horizons, and enhance technological capabilities. OSBU's work is critical to the achievement of GSA's small business goals.

OSBU's FY 2021 Estimate of \$6.4 million includes technology improvements and enhancements related to the GSA forecast tool, e2689 automation, and the subcontracting plan automation.

### **Office of Customer Experience: FY 2021 Estimate - \$4.8 million**

#### Internal Services: FY 2021 Estimate - \$2.3 million

The mission of the Office of Customer Experience (OCE) is to improve the end-to-end experience of GSA customers by aligning operations to customer needs. OCE was the first agency wide organization to focus solely on improving customer experience and fostering a customer-first mentality. The office is responsible for:

- Customer research: OCE creates customer interview and survey guides, surveys, journey maps, and personas. OCE's research strategies and outputs shed light on customer perspectives while streamlining internal processes to collect customer feedback;
- Human-centered design/thinking: OCE integrates a user-driven framework that begins and ends with the customers it is designing for; and
- Action planning: OCE takes action on interpreting and implementing customer feedback across the agency.

OCE also offers the following types of services to drive customer-centricity across GSA:

- Strategy: Through the development of innovative team strategies and action plans, OCE works across GSA to achieve business goals based on customer needs;

- Research: OCE collaborates with teams to better understand agency customers' needs and to ensure consistent customer experiences enterprise-wide;
- Capacity Building: OCE helps teams adapt to shifting customer preferences and thrive at GSA by facilitating customer experience and Human-Centered Design trainings; and
- Pilots: By prototyping products and processes and gathering user feedback, OCE is able to evaluate and refine big ideas to prioritize investment.

**External Services: FY 2021 Estimate - \$2.5 million**

Funding will be used to continue the efforts to develop a strategy and scope of services for a Government-wide customer experience capacity (in support of the CAP Goal and *Delivering Government Solutions in the 21st Century* Agency Reform Plan and Reorganization Recommendations).

**Quality Service Management Office: FY 2021 Estimate - \$15.5 million**

**Internal Services: FY 2021 Estimate - \$5.5 million**

In accordance with OMB Memorandum M-19-16 *Centralized Mission Support Capabilities for the Federal Government*, GSA has been pre-designated as the Quality Service Management Office for HR Transactions Services (HR-QSMO) to offer solutions that, over time, will standardize processes, reduce the technology footprint, and reduce Government-wide operating costs. Identifying shared functions and designating QSMOs supports the President's Management Agenda's Cross-Agency Priority (CAP) Goal of Sharing Quality Services by improving mission-support services and enabling the delivery of high-quality outcomes to the American people. The HR-QSMO also supports the CAP goals associated with Developing a Workforce for the 21st-Century by enabling employees to shift from low-value to high-value work. The QSMO offerings provide access to solutions to make internal operations more efficient, deliver better service and better value to customers, and expand shared service offerings to meet cross-Government needs. The FY 2021 Estimate includes \$5.5 million for the QSMO, which also includes PMO support for the NewPay (a cloud-enabled, SaaS solution for payroll and time and attendance). By utilizing commercial cloud-enabled SaaS products, the Government can leverage commercial solutions to modernize outdated technology, improve end-user experience, and enhance cybersecurity. NewPay is the first step in modernizing the Government's human capital IT for 2.1 million Federal employees. GSA has leveraged the new shared service model that focuses on data standardization, modernization, and security.

**Major Equipment Acquisition & Development: FY 2021 Estimate – \$10 million**

As part of GSA's transition to become a payroll Software as a Service provider (NewPay), GSA is requesting the use of Lapsed Balances in FY 2021 to continue the conversion for all our employees and customer agencies.

**Office of Congressional and Intergovernmental Affairs: FY 2021 Estimate - \$1.2 million**

The Office of Congressional and Intergovernmental Affairs (OCIA) is funded out of the Operating Expenses appropriation; however, the office uses the WCF for the reimbursable services it provides to Members of Congress across the country. This requirement is based on the best information available and subject to change as necessary to support the requirements of the President or Congress.

**External Services: FY 2021 Estimate - \$1.2 million**

OCIA coordinates services to over 1,400 House district offices and Senate state offices nationwide. OCIA supports the acquisition of office space, furniture and furnishings, property disposal, equipment and supplies, and storage and relocation services.

**OPM Transition: FY 2021 Request - \$70 million**

**Appropriation: FY 2021 Request - \$70 million**

In FY 2020, the National Academy of Public Administration will be conducting a study analyzing the benefits and consequences of OPM merging with GSA. The FY 2021 Budget requests \$70 million to address long-standing workforce management issues identified in the Administration's June 2018 Reform Plan through a proposal to merge all of OPM's transactional and consultative services as well as support functions, such as IT, into GSA's operating framework. In order to shift OPM activities to GSA in a manner that ensures seamless operation of critical programs and minimal disruption to Federal agencies, employees, and retirees that rely on OPM; GSA and OPM need to invest significant time and resources in the transition. Accordingly, GSA's WCF request includes \$70 million in no-year appropriated funds to support the transition. Funding will be used to purchase new IT equipment, analyze and incorporate OPM business processes into GSA processes, incorporate OPM systems into GSA's network, move and transition OPM staff, and perform audit and security assessments of those systems. Transition costs are primarily driven by the IT-related remediation and transformation work necessary to ensure OPM IT systems are securely integrated into GSA's network, a complex effort that must be appropriately resourced given the mounting technical debt and challenges OPM has faced in modernizing and securing its IT infrastructure, and will continue to deepen if not aggressively addressed.

**NewPay Migration: FY 2021 Request - \$20 million**

**Appropriation: FY 2021 Request - \$20 million**

The FY 2021 Budget requests \$20 million to begin transitioning employees serviced by Federal payroll shared service providers to the NewPay payroll solution and to ultimately retire the legacy applications upon completion of the implementation. This request is based on an

estimated transition cost of \$200 per employee moved to the NewPay payroll solution, with additional appropriate resources to cover contingency costs associated with implementing the transition. Over the last decade, there have been no significant investments to modernize the Federal legacy payroll systems and applications, some of which are in their fourth decade of operation. With the ever evolving and escalating cyber threats the Federal Government faces, the inability to utilize current security best practices, including data encryption and multi-factor

authentication, make the legacy systems vulnerable to malicious cyber activity. The lack of interoperability across systems requires significant efforts and manual processes for employee and agency transfers between shared services providers. The legacy applications are not cost effective to maintain, and sufficient reserves have not been established for ongoing modernization and enhancements to legacy applications.

The Government-wide NewPay initiative will move the Federal Government from legacy payroll processing technology to cloud-based SaaS technology, which will reduce costs, significantly improve security posture, increase user experience and service, and allow for better management of overall resources related to payroll processing. With on-demand scaling for processing, secure storage, and network capacity, the NewPay program will enable infrastructure consolidation, eliminate functional redundancies, reduce operations and maintenance for continuity of operations, and optimize computing/hosting resources. The NewPay products will also allow for a fully integrated process leading to quicker adoption of policy changes. By driving standardization and leveraging the scale of the Federal Government, the NewPay program will enable agencies to refocus resources (human and fiscal) on core mission priorities.

U.S. General Services Administration  
Working Capital Fund

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**Working Capital Fund Bill by Staff and Service Office**

(Dollars in Thousands)

<b>GSA Working Capital Fund Bill</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Plan</b>	<b>FY 2021 Plan</b>
<b>Public Building Service</b>	<b>\$ 358,235</b>	<b>\$ 364,945</b>	<b>\$ 368,610</b>
<b>Federal Acquisition Services</b>	<b>\$ 277,573</b>	<b>\$ 280,146</b>	<b>\$ 277,299</b>
FAS ASF	\$ 270,904	\$ 275,628	\$ 272,385
FAS FCSF	\$ 6,669	\$ 4,518	\$ 4,914
<b>Office of Governmentwide Policy</b>	<b>\$ 13,605</b>	<b>\$ 12,033</b>	<b>\$ 11,593</b>
<b>Office of Inspector General</b>	<b>\$ 1,693</b>	<b>\$ 1,731</b>	<b>\$ 1,997</b>
<b>Former Presidents</b>	<b>\$ 14</b>	<b>\$ 10</b>	<b>\$ 17</b>
<b>Civilian Board of Contract Appeals</b>	<b>\$ 220</b>	<b>\$ 221</b>	<b>\$ 421</b>
<b>Federal Permitting Improvement Steering Council</b>	<b>\$ 498</b>	<b>\$ 498</b>	<b>\$ -</b>
<b>Technology Modernization Fund</b>	<b>\$ 240</b>	<b>\$ 240</b>	<b>\$ 167</b>
<b>Operating Expenses</b>	<b>\$ 10,872</b>	<b>\$ 5,631</b>	<b>\$ 5,953</b>
Executive Direction	\$ 6,889	\$ 3,213	\$ 3,286
Real Property Disposal	\$ 3,983	\$ 2,418	\$ 2,667
<b>WCF External Programs</b>	<b>\$ 510</b>	<b>\$ 516</b>	<b>\$ 597</b>
OCFO - Payroll Shared Services	\$ 320	\$ 173	\$ 201
OGP - Electronic Capital Planning & Investment Control	\$ 75	\$ 162	\$ 137
OHRM - Commissions & Boards	\$ 115	\$ 181	\$ 73
OGP - eRulemaking	\$ -	\$ -	\$ 186
<b>Grand Total</b>	<b>\$ 663,460</b>	<b>\$ 665,971</b>	<b>\$ 666,655</b>

**U.S. General Services Administration**

**FEDERAL CAPITAL REVOLVING FUND**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

FY 2021 President’s Budget Appendix Narrative..... 2

Program Description ..... 2

Summary of the Request ..... 4

Amounts Available for Obligation ..... 6

Explanation of Changes, Appropriated Dollars and FTE ..... 6

Obligations by Object Classification ..... 7

## **FY 2021 President's Budget Appendix Narrative**

This account provides for operation of a Federal Capital Revolving Fund (FCRF) to finance purchases of federally owned civilian real property assets. A detailed discussion of the FCRF can be found in the Budget Process chapter of the Analytical Perspectives volume.

In summary, the FCRF will create a mechanism that is similar to a capital budget but operates within the traditional rules used for the Federal budget. Upon approval in an Appropriations Act, the revolving fund will transfer money to agencies to finance large-dollar real property purchases. Executing agencies will then be required to repay the fund in up to 15 equal annual amounts using discretionary appropriations.

As a result, purchases/construction/renovation of real property assets funded through the FCRF will no longer compete with annual operating and programmatic expenses for the limited funding available under tight discretionary caps. Instead, agencies will pay for real property over time as it is utilized. Repayments will be made from future appropriations, which will incentivize project selection based on highest mission need and return on investment, including future cost avoidance. The repayments will also replenish the revolving fund so that real property can continually be replaced as needed.

### **Program Description**

(see Analytical Perspectives for additional detail)

The structure of the Federal budget and budget enforcement requirements can create hurdles to funding large-dollar capital investments. These types of investments are handled differently at the State and local government levels. Expenditures for capital investment are combined with operating expenses in the Federal unified budget. Both kinds of expenditures must compete for limited funding within the discretionary caps. Large-dollar Federal capital investments can be squeezed out in this competition, frequently forcing agency managers to make difficult decisions and turn to operating leases to meet long-term Federal requirements. These alternatives are more expensive than ownership over the long term because: (1) Treasury can always borrow at lower interest rates; and (2) to avoid triggering scorekeeping and recording requirements for capital leases, agencies sign shorter-term, consecutive leases of the same space. For example, the cost of two consecutive 15-year leases for a building can see the Government paying up to 180 percent of the fair market value of the asset – and more when taking into consideration the tenant build out costs necessary for occupancy. Alternative financing proposals typically run up against scorekeeping and recording rules that measure cost based on the full amount of the Government's obligations under the contract, which further constrains the ability of agency managers to meet capital needs.

In contrast, State and local governments separate capital investment from operating expenses. They are able to evaluate, rank, and finance proposed capital investments in separate capital budgets, which avoids direct competition between proposed capital acquisitions and operating expenses. If capital purchases are financed by borrowing, the associated debt service is an item in the operating budget. This separation of capital spending from operating expenses works well at the State and local government levels because of conditions that do not exist at the Federal level. State and local governments are required to balance their operating budgets, and their ability to borrow to finance capital spending is subject to the discipline of private credit markets that impose higher interest rates for riskier investments. In addition, State and local governments tend to own capital that they finance. In contrast, the Federal Government does not face a balanced budget requirement, and Treasury debt has historically been considered the safest investment regardless of the condition of the Federal balance sheet. Also, the bulk of Federal funding for capital is in the form of grants to lower levels of the Government or to private entities, and it is difficult to see how non-federally owned investment can be included in a capital budget.

To deal with the drawbacks of the current Federal approach, the Federal Budget proposes: (1) to create the FCRF to fund large-dollar, federally owned, civilian real property capital projects which house Federal civilian employees; and (2) provide specific budget enforcement rules for the FCRF that would allow it to function, in effect, like State and local government capital budgets. This proposal incorporates principles that are central to the success of capital budgeting at the State and local levels—a limit on total funding for capital investment, annual decisions on the allocation of funding for capital projects, and spreading the acquisition cost over 15 years in the discretionary operating budgets of agencies that purchase the assets.

As part of the overall 2021 Budget infrastructure initiative, the FCRF would be capitalized initially by a \$10 billion mandatory appropriation, and scored with anticipated outlays over the 10-year window for the purposes of pay-as-you-go budget enforcement rules. Balances in the FCRF would be available for transfer as mandatory funds to purchasing agencies to fund large-dollar capital acquisitions only to the extent projects are designated in advance in appropriations Acts and the agency receives a discretionary appropriation for the first of a maximum of 15 required annual repayments. If these two conditions are met, the FCRF would transfer funds to the purchasing agency to cover the full cost to acquire the capital asset. Annual discretionary repayments by purchasing agencies would replenish the FCRF and would become available to fund additional capital projects. Total annual capital purchases would be limited to the lower of \$2.5 billion or the balance in the FCRF, including annual repayments.

The FY 2021 budget again proposes that the first project executed through the FCRF will address the requirements of the National Institute of Standards and Technology (NIST). This project will support the long-term mission requirements of NIST. The amounts shown in the

FCRF for the purchase transfer associated with the NIST project are refined estimates reflecting updated information over the FY 2020 budget proposal.

### **Summary of the Request**

The goal of this request is to support the establishment of the new FCRF within the unified budget that would function effectively as a capital budget for investment in federally owned civilian real property and implement budget enforcement rules that exclude the upfront acquisition cost from the discretionary caps and instead charge the cost to discretionary funding over 15 years as the assets as used to provide services.

In FY 2021, the Budget uses the FCRF concept to fund the expansion and remaining renovation, estimated at \$294 million for the Department of Commerce National Institute of Standards and Technology (NIST) to do advance precision measurement tools and technologies for a variety of scientific endeavors at Building One on the Boulder Colorado campus. In accordance with the principles and design of the FCRF, the 2021 budget requests appropriations language designating the NIST expansion and renovation as a project to be funded out of the FCRF, which is housed within the General Services Administration, along with 1/15 of the full purchase price, or \$19.6 million for the first year repayment back to the FCRF. The FCRF account is displayed funding the NIST project in 2021 and a total of \$15 billion worth of Federal buildings projects using the initial \$10 billion in mandatory appropriations and starting in 2026, \$5 billion from offsetting collections from annual project repayments

The President's FY 2021 NIST budget includes appropriations language supporting the purchase transfer of \$294 million as well as the first of 15 annual discretionary appropriation repayments of \$19.6 million. The funding level would support the cost of renovation and expansion of the current facility as well as the necessary furniture fixtures and equipment as well as a minimal administrative fee. Please refer to the NIST Congressional Justification for additional project details.

The flow of funds for the expansion and renovation of a NIST research building with a \$294 million cost and the proposed scoring are illustrated in the below chart:

*U.S. General Services Administration  
Federal Capital Revolving Fund*

Federal Capital Revolving Fund			Purchasing Agency		
	Year 1	Years 2-15		Year 1	Years 2-15
Mandatory:			Mandatory:		
Transfer to purchasing agency to buy building.....	294		Collection of transfer from Federal Capital Revolving Fund.....	-294	
Purchasing agency repayments.....	-20	-274	Payment to buy building.....	294	
			Discretionary:		
			Repayments to Federal Capital Revolving Fund.....	20	274

Total Government-wide Deficit Impact			
	Year 1	Years 2-15	Total
Mandatory			
Purchase Building.....	294		294
Collections from Purchasing agency.....	-20	-274	-294
Discretionary:			
Purchasing agency repayments.....	20	274	294
<b>Total Government-wide</b>	<b>294</b>	<b>—</b>	<b>294</b>

For budget enforcement purposes, transfers from the FCRF to agencies to fund acquisitions and spending of those amounts by agencies would be scored as direct spending, while agencies would use discretionary appropriations to fund annual repayments to the FCRF. This allocation of cost means that the upfront cost of capital investment would be included in the budget, but, as mentioned earlier, the up-front expense would not have to compete with operating expenses in the annual appropriations process. The FCRF does not provide any new landholding or land-managing authorities for Federal agencies. Agencies with authority will execute projects directly once proposed by the President and authorized by Congress. For those agencies that rely on GSA to provide space and services, GSA will act as a construction agent, and the facility will be under the custody and control of GSA.

The Administration transmitted a legislative proposal to Congress on June 12, 2018, which can be found at: [https://www.whitehouse.gov/wp-content/uploads/2019/03/FCRF\\_Pence.pdf](https://www.whitehouse.gov/wp-content/uploads/2019/03/FCRF_Pence.pdf)

U.S. General Services Administration  
Federal Capital Revolving Fund

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**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
<b>Resources:</b>			
Available from prior year	\$ -	\$ -	\$ -
Mandatory Appropriation	\$ -	\$ -	\$ 10,000,000
Offsetting Collections	\$ -	\$ -	\$ 19,688
<b>Total Resources Available</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,019,688</b>
<b>Obligations</b>			
Transfers for Acquisition of Real Property	\$ -	\$ -	\$ 294,000
Program Administration	\$ -	\$ -	\$ 88
<b>Total Obligations</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 294,088</b>
<b>Fund Balance:</b>			
Total Resources Available	\$ -	\$ -	\$ 10,019,688
Total Obligations	\$ -	\$ -	\$ (294,088)
Fund Balance	\$ -	\$ -	\$ 9,725,600
<b>Net Budget Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>

**Explanation of Changes, Appropriated Dollars and FTE**

(Dollars in Thousands)

	FTE	FY 2019 Actual	FTE	FY 2020 Enacted	FTE	FY 2021 Request
	-	\$ -	-	\$ -	-	\$ 294,088
<b>Program Changes:</b>						
Program Administration					-	\$ 88
Acquisition of Real Property						\$ 294,000
Subtotal, Program Increases.....					-	\$ 294,088
<b>Total Adjustments.....</b>					<b>-</b>	<b>\$ 294,088</b>

U.S. General Services Administration  
Federal Capital Revolving Fund

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
11.1 Full-time, permanent.....	\$ -	\$ -	\$ -
11.3 Other than full-time permanent.....	\$ -	\$ -	\$ -
11.5 Other personnel compensation.....	\$ -	\$ -	\$ -
12.1 Civilian personnel benefits.....	\$ -	\$ -	\$ -
21.0 Travel and transportation of persons.....	\$ -	\$ -	\$ -
23.1 Rental payments to GSA.....	\$ -	\$ -	\$ -
23.3 Communications and utilities.....	\$ -	\$ -	\$ -
24.0 Printing and reproduction.....	\$ -	\$ -	\$ -
25.1 Advisory and assistance services.....	\$ -	\$ -	\$ -
25.3 Other goods & services from Federal sources....	\$ -	\$ -	\$ 88
26.0 Supplies and materials.....	\$ -	\$ -	\$ -
31.0 Equipment.....	\$ -	\$ -	\$ -
32.0 Land and structures.....	\$ -	\$ -	\$ -
33.0 Investments and loans.....	\$ -	\$ -	\$ -
41.0 Grants, subsidies, and contributions.....	\$ -	\$ -	\$ -
42.0 Insurance claims and indemnities.....	\$ -	\$ -	\$ -
43.0 Interest and dividends.....	\$ -	\$ -	\$ -
44.0 Refunds.....	\$ -	\$ -	\$ -
94.0 Financial transfers.....	\$ -	\$ -	\$ 294,000
<b>99.0 Obligations, Mandatory.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 294,088</b>
Subtotal, PC&B.....	\$ -	\$ -	\$ -
Subtotal, Non-labor.....	\$ -	\$ -	\$ 294,088

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**U.S. General Services Administration**  
**PERMANENT BUDGET AUTHORITY**  
**Fiscal Year 2021 Budget Request**

**CONTENTS**

Transportation Audit Contracts and Contract Administration .....	2
Program Description .....	2
Authorizing Legislation .....	2
FY 2020 Operating Plan and FY 2021 Budget Request.....	2
Obligations by Object Classification.....	3
Amounts Available for Obligation.....	4
Acquisition Workforce Training Fund.....	5
Program Description.....	5
Authorizing Legislation .....	5
FY 2020 Operating Plan and FY 2021 Budget Estimate .....	5
Obligations by Object Classification.....	7
Amounts Available for Obligation.....	7
Expenses, Disposal of Surplus Real and Related Personal Property .....	8
Program Description.....	8
Authorizing Legislation .....	8
Administration Proposal.....	8
FY 2020 Operating Plan and FY 2021 Budget Estimate .....	9

## **Transportation Audit Contracts and Contract Administration**

### **Program Description**

This permanent, indefinite appropriation provides for the detection and recovery of overpayments to carriers for Government moves under rate and service agreements established by the U.S. General Services Administration (GSA) or other Federal agency transportation managers. Program expenses are financed from overcharges collected from Transportation Service Providers (TSPs) as a result of postpayment audits examining the validity, propriety, and conformity of charges with the proper rate authority. Funds recovered in excess of expenses are returned to the U.S. Department of the Treasury (Treasury).

### **Authorizing Legislation**

*The Expenses of Transportation Audit Contracts and Contract Administration appropriation is permanently authorized by 31 U.S.C. § 3726(e): “Sec. 3726. Payment for transportation (e) Expenses of transportation audit postpayment contracts and contract administration, and the expenses of all other transportation audit and audit-related functions conferred upon the Administrator of General Services, shall be financed from overpayments collected from carriers on transportation bills paid by the Government and other similar type refunds, not to exceed collections. Payment to any contractor for audit services shall not exceed 50 percent of the overpayment identified by contract audit.”*

### **FY 2020 Operating Plan and FY 2021 Budget Request**

The Transportation Audits program is managed by the Federal Acquisition Service (FAS) in the Travel, Transportation and Logistics (TTL) Portfolio.

The FY 2021 budget request provides \$10.44 million for the Transportation Audits program. In FY 2020 and FY 2021, the Transportation Audits program will continue to focus on its prepayment oversight and postpayment audits of Government-wide transportation bills and recoveries of overcharges. The program office will oversee the implementation and performance of prepayment audits for transportation services procured around the world by Federal agencies; conduct postpayment audits of transportation bills; execute the collection of overcharges; validate overcharges via evidence, regulation, and background; adjudicate claims brought by TSPs and Federal agencies as needed; handle bankruptcies and litigation related to TSPs for Federal agencies; and act as an expert in court cases as needed. In FY 2020, the program will be deploying a system modernization project that will replace its 30-year-old system with a platform that will increase Government-wide compliance with public laws and regulations, enable Transportation Audits to expand auditing, increase automation in business operations, and improve data quality and analysis.

**Obligations by Object Classification**  
(Dollars in Thousands)

		FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
11.1	Full-time, permanent	\$ 3,106	\$ 3,164	\$ 3,137
11.3	Other than full-time permanent	\$ -	\$ -	\$ -
11.5	Other personnel compensation	\$ 43	\$ 32	\$ 31
12.1	Civilian personnel benefits	\$ 867	\$ 776	\$ 770
21.0	Travel and transportation of persons	\$ 7	\$ 69	\$ 29
22.0	Transportation of things	\$ -	\$ -	\$ -
23.1	Rental payments to GSA	\$ -	\$ -	\$ -
23.3	Communications and utilities	\$ 1	\$ -	\$ -
24.0	Printing and reproduction	\$ -	\$ -	\$ -
25.1	Advisory and assistance services	\$ 6,804	\$ 5,689	\$ 4,941
25.2	Other services from non-Federal sources	\$ -	\$ 47	\$ 47
25.3	Other goods and services from Federal sources	\$ 1,103	\$ 1,057	\$ 1,473
26.0	Supplies and materials	\$ 2	\$ 12	\$ 12
31.0	Equipment	\$ 57	\$ -	\$ -
<b>99.0</b>	<b>Obligations, appropriated (annual)</b>	<b>\$ 11,991</b>	<b>\$ 10,846</b>	<b>\$ 10,440</b>
	Subtotal, PC&B	\$ 4,016	\$ 3,972	\$ 3,938
	Subtotal, Non-labor	\$ 7,975	\$ 6,874	\$ 6,502
99.9	Total obligations	<b>\$11,991</b>	<b>\$10,846</b>	<b>\$10,440</b>
	FTE	31.7	37.0	36.0

U.S. General Services Administration  
 Permanent Budget Authority

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**Amounts Available for Obligation**

(Dollars in Thousands)

**Special Fund Receipts:**

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	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
Balance, start of year <sup>1</sup>	\$ 29,882	\$ 22,598	\$ 22,411
Receipts	\$ 9,439	\$ 8,230	\$ 8,230
Sequestration	\$ 1,133	\$ 680	\$ -
Excess collections returned to Treasury	\$ -	\$ -	\$ -
<b>Appropriation to the warranted fund</b>	<b>\$ (18,271)</b>	<b>\$ (11,526)</b>	<b>\$ (10,440)</b>
Unobligated balance expired from expenditure fund	\$ 416	2,429	1,016
Balance, end of year	\$ 22,598	\$ 22,411	\$ 21,218

**Special Fund Expenditures:**

---

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
Mandatory authority:			
<b>Appropriation</b>	<b>\$ 18,271</b>	<b>\$ 11,526</b>	<b>\$ 10,440</b>
Sequestration	\$ (1,133)	\$ (680)	
Unobligated balance, end of year	\$ (5,147)	\$ -	\$ -
<b>Total obligations</b>	<b>\$ 11,991</b>	<b>\$ 10,846</b>	<b>\$ 10,440</b>
<i>Net Outlays</i>	\$ 9,290	\$ 9,327	\$ 8,978

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1 - Revised Balance, start of year, for FY 19, from \$34,087 to \$29,882, per GSA financial record, GTAS reporting. There was a discrepancy of \$4,205 thousand between GTAS and OMB MAX control total due to an unknown supplemental adjustment that was made in FY 18.

## Acquisition Workforce Training Fund

### Program Description

The Acquisition Workforce Training Fund (AWTF) is a permanent, indefinite appropriation providing a stable source of funds to train the Federal civilian acquisition workforce. The AWTF is financed through a credit of five percent of the fees collected from non-U.S. Department of Defense activities by GSA and other civilian agencies that manage Government-wide Acquisition Contracts (GWACs), Multiple Award Schedules (MAS) contracts, and other multi-agency contracts. Receipts are available for expenditure in the fiscal year collected, in addition to the two following fiscal years. The AWTF is managed by GSA's Federal Acquisition Institute (FAI) in consultation with the White House Office of Federal Procurement Policy and the FAI Board of Directors.

### Authorizing Legislation

The fund is authorized by 41 U.S.C. § 1703(i), as amended by Section 854 of Title VII of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, January 28, 2008). The establishment and operation of FAI is authorized by 41 U.S.C. § 1201, as amended by Section 864 of Title VIII of the National Defense Authorization Act for Fiscal Year 2011 (Public Law 112-81, December 31, 2011).

### FY 2020 Operating Plan and FY 2021 Budget Estimate

The FY 2021 budget request provides \$10.5 million in new collections for FAI programs. The Board of Directors has reviewed the FAI programs to identify where continued AWTF funding is most needed to effectively support FAI's mission and goals. AWTF funds are used to support FAITAS, FAI.gov, and all of FAI's twelve statutory responsibilities.

FAI works closely with its Board of Directors, the Chief Acquisition Officers' Council, and various agencies and stakeholders to identify activities to fund from the AWTF. FAI supports professional development of the civilian agency acquisition workforce by ensuring the availability of exceptional training, providing compelling research, promoting professionalism, and improving acquisition workforce management. The funds collected by the AWTF support FAI activities that fall into the following five categories:

- **Human Capital Initiatives**

Human Capital Initiative funding provides for Government-wide human capital resource planning and management initiatives, supporting FAI in the collection, analysis, and reporting of acquisition workforce human capital data. Funds also support the development and execution of the FAI.gov website, which is used as the primary outreach and communications portal for the acquisition workforce. The program collects data through human capital plan templates and other venues to enable agencies to

make strategic data-driven decisions about their acquisition workforce and program operations. Specific examples of FAI Human Capital Initiatives include continued maturation of agency acquisition human capital, the Acquisition Workforce Competency Survey, and the continual improvement of FAI.gov.

- **Operations and Logistics Support**

Operations and Logistics Support funding provides for the design, execution, and control of the business-planning and operations framework for executing the FAI mission and infrastructure. Funding supports all activities related to planning, organizing, or optimizing business operations. This includes costs associated with the annual memorandum of understanding between the AWTF and the Office of Government-wide Policy for the support of 12 reimbursable FTE, the FAI Training Application System (FAITAS) Customer Support help desk, and the FAI.gov help desk.

- **Curriculum Development**

Curriculum Development funding provides for development of instructional content, materials, and related assets to execute Federal Acquisition Certification programs. This funding has supported program and project management activities, Contracting Officer's Representatives activities, continuous learning curricula and training courses such as Federal Contracting 101 – Contracting Basics.

- **Training Delivery**

Training Delivery funding provides for the execution of online and classroom training and learning programs and related delivery and development activities. To continue to meet the needs of the Federal acquisition workforce community, the Training Delivery program provides Acquisition Learning Seminars, FAITAS operations and maintenance, FAITAS enhancements, and online and classroom training courses.

- **Information Technology**

Information Technology (IT) funding provides for overarching IT operations, maintenance, and advancement activities. The FAI.gov website hosting and Disaster Recovery website are examples of the work supported by IT funds.

**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
25.1 Advisory and assistance services	\$ 2,877	\$ 4,061	\$ 4,061
25.3 Other goods & services from Federal sources	\$ 5,474	\$ 7,507	\$ 6,439
<b>99.0 Total obligations</b>	<b>\$ 8,351</b>	<b>\$ 11,568</b>	<b>\$ 10,500</b>

**Amounts Available for Obligation**

(Dollars in Thousands)

Special Fund Receipt

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
Balance, start of year.....	\$ 702	\$ 2,277	\$ 3,499
Receipts.....	\$ 10,502	\$ 10,222	\$ 10,491
<b>Appropriation to the expenditure fund.....</b>	<b>\$ (8,927)</b>	<b>\$ (9,000)</b>	<b>\$(10,500)</b>
Balance, end of year.....	\$ 2,277	\$ 3,499	\$ 3,490

Special Fund Expenditure

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
Unobligated balance, start of year.....	\$ 13,937	\$ 14,513	\$ 14,086
Recovery of prior-year obligations.....	\$ -	\$ 2,141	\$ -
Mandatory authority:			
Appropriation.....	\$ 8,927	\$ 9,000	\$ 10,500
Unobligated balance, expiring.....	\$ -	\$ -	\$ -
<b>Total Obligations.....</b>	<b>\$ (8,351)</b>	<b>\$(11,568)</b>	<b>\$(10,500)</b>
Unobligated balance, end of year.....	\$ 14,513	\$ 14,086	\$ 14,086
<i>Net Outlays</i>	<i>\$ 8,401</i>	<i>\$ 10,411</i>	<i>\$ 9,450</i>

## **Expenses, Disposal of Surplus Real and Related Personal Property**

### **Program Description**

This mandatory appropriation provides for the efficient disposal of real property assets that no longer meet the needs of landholding Federal agencies. The following costs are paid through receipts from such disposals each fiscal year: fees of auctioneers, brokers, appraisers, and environmental consultants; surveying costs; costs of advertising; costs of environmental and historical preservation services; highest and best use of property studies; property utilization studies; deed compliance inspections; and other disposal costs. GSA leverages the expertise of auctioneers and brokers familiar with local markets to accelerate the disposal of surplus real property.

### **Authorizing Legislation**

The Expenses, Disposal of Surplus Real and Related Personal Property appropriation is permanently authorized by 40 U.S.C. § 572(a). The appropriation is authorized to pay expenses directly, or to reimburse another account for expenses paid. The total amount paid and reimbursed in a fiscal year may not exceed 12 percent of the receipts available in GSA's receipt account 5254.2. Proceeds from disposal of Federal real property are deposited into account 5254.2 and funds deemed in excess of the Real Property Disposal program's long-term requirements must be transferred to the Land and Water Conservation Fund.

The types of expenses that may be paid or reimbursed are limited to specific, enumerated expenditures including:

- (i) Costs of appraisers, auctioneers, and realty brokers, in accordance with the scale customarily paid in similar commercial transactions.
- (ii) Costs of environmental and historic preservation services, highest and best use of property studies, utilization of property studies, deed compliance inspections, targeted asset reviews, and the expenses incurred in approved relocations.
- (iii) Cost of advertising and surveying.

### **Administration Proposal**

The President's Budget supports the expansion of the allowable uses of the disposal fund. . The expanded authority will allow GSA to assist agencies in identifying and preparing real property prior to the agency declaring a property excess. Currently, agencies do not always complete these types of activities because agencies must fund the activities from limited resources. This expanded authority will help to reduce the Federal footprint by providing the funding required to assess and prepare potential excess properties for disposal, the funds will then be recovered from the proceeds of sale.

Here is the language that will be included in the separate legislative authority proposal:  
*Nothwithstanding limitations contained in section 572(a) of title 40, United states Code, the Administrator of General Services is authorized to use the fund established in section 572 to assist agencies in identifying, preparing, and divesting property, to include costs related identifying and preparing real property to be divested and costs related to assisting agencies with the identification, preparation, and divestiture of real property and the Administrator is authorized to be reimbursed for such costs from the proceeds of the sale of such properties.*

**FY 2020 Operating Plan and FY 2021 Budget Estimate**

The FY 2021 budget request provides \$10.056 million for the Real Property Disposal program. Obligations are based on properties planned for disposal in each year. Financing is provided through receipts from sales of surplus property and out-leasing of Government-owned space.

**Obligations by Object Classification**

(Dollars in Thousands)

		FY 2019	FY 2020	FY 2021
		Actual	Plan	Plan
21.0	Travel and transportation	\$ -	\$ 50	\$ 50
24.0	Printing and reproduction	\$ 47	\$ 129	\$ 129
25.1	Advisory and assistance services	\$ 303	\$ 8,191	\$ 9,191
25.2	Other services from non-Federal sources	\$ 29	\$ 119	\$ 119
25.3	Other goods & services from Federal sources	\$ -	\$ 547	\$ 547
25.7	Operation and maintenance of equipment	\$ -	\$ 20	\$ 20
26.0	Supplies and Materials	\$ 5	\$ -	\$ -
<b>99.9</b>	<b>Total obligations</b>	<b>\$ 384</b>	<b>\$ 9,056</b>	<b>\$ 10,056</b>

U.S. General Services Administration  
 Permanent Budget Authority

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**Amounts Available for Obligation**

(Dollars in Thousands)

Special Fund Receipts

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
Balance, start of year	\$ 76,230	\$ 74,412	\$ 73,356
Receipts, real property disposal	\$ 22,563	\$ 8,000	\$ 20,000
Receipts, outleasing	\$ -	\$ 3,000	\$ 3,000
Net receipts	\$ 22,563	\$ 11,000	\$ 23,000
<b>Appropriation to the expenditure fund</b>	<b>\$ (3,715)</b>	<b>\$ (9,056)</b>	<b>\$ (10,056)</b>
Sequestration	\$ 561	\$ -	\$ -
<b>Total budgetary resources</b>	<b>\$ (3,154)</b>	<b>\$ (9,056)</b>	<b>\$ (10,056)</b>
Transfer to Land and Water Fund, DOI	\$ (21,227)	\$ (3,000)	\$ (2,000)
Unobligated balance, transferred in from Expenditure Fund	\$ -	\$ -	\$ -
Balance, end of year	\$ 74,412	\$ 73,356	\$ 84,300

Special Fund Expenditures

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
Mandatory authority			
<b>Appropriation</b>	<b>\$ 3,715</b>	<b>\$ 9,056</b>	<b>\$ 10,056</b>
Unobligated balance	\$ 1,059	\$ -	\$ -
<b>Total obligations</b>	<b>\$ 2,656</b>	<b>\$ 9,056</b>	<b>\$ 10,056</b>
<i>Net Outlays</i>	<i>\$ 2,656</i>	<i>\$ 9,056</i>	<i>\$ 10,056</i>

Note: By statute, any receipts in excess of the long-term requirements of the Fund must be transferred out of the Fund and deposited into the Land and Water Conservation Fund of the U.S. Department of the Interior.

**Obligations by Program Activity**

(Dollars in Thousands)

	FY 2019 Actual	FY 2020 Plan	FY 2021 Plan
<b>1. Utilization and Disposal - Real Property</b>			
a. Appraisers, auctioneers, brokers fees, surveying	\$ 140	\$ 2,669	\$ 2,669
b. Advertising	\$ 149	\$ 1,186	\$ 1,186
c. Environmental Services	\$ 60	\$ 1,143	\$ 2,143
d. Historical Preservation Services	\$ 4	\$ 884	\$ 884
e. Highest and best use of property studies, utilization of property studies, Targeted Asset Reviews (TARS), deed compliance inspections	\$ 31	\$ 1,432	\$ 1,432
f. Expenses incurred in a Relocation	\$ -	\$ 800	\$ 800
g. Personnel compensation			
h. Personnel benefits			
i. Administrative support	\$ -	\$ 305	\$ 305
j. Travel expenses	\$ -	\$ 122	\$ 122
Subtotal, Utilization and Disposal of Real Property	<u>\$ 384</u>	<u>\$ 8,541</u>	<u>\$ 9,541</u>
<b>2. Outleasing of Government-owned Space</b>			
a. Appraisers, auctioneers, brokers fees, surveying	\$ -	\$ 500	\$ 500
b. Advertising	\$ -	\$ 15	\$ 15
Subtotal, Outleasing	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ 515</u>
<b>Total obligations</b>	<b>\$ 384</b>	<b>\$ 9,056</b>	<b>\$ 10,056</b>

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Administrative Provisions	Explanation
<p><i>Sec. 520. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.</i></p>	<p>This provision authorizes GSA to use funds for the hire of passenger motor vehicles.</p>
<p><i>Sec. 521. Funds in the Federal Buildings Fund made available for fiscal year 2021 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: Provided, That notice of any proposed transfers shall be transmitted in advance to the Committees on Appropriations of the House of Representatives and the Senate.</i></p>	<p>This provision authorizes GSA to transfer funds within the Federal Buildings Fund to meet program requirements.</p>
<p><i>Sec. 522. Except as otherwise provided in this title, any request for United States Courthouse construction transmitted using funds made available by this Act should: (1) meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; (2) reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan; and (3) include a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.</i></p>	<p>This provision requires that the budget request meet certain standards.</p>

<p><i>Sec. 523. None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency that does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in consideration of the Public Buildings Amendments Act of 1972 (Public Law 92-313).</i></p>	<p>This provision provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency that does not pay the requested rate.</p>
<p><i>Sec. 524. From funds made available under the heading "Federal Buildings Fund, Limitations on Availability of Revenue", claims against the Government of less than \$250,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations of the House of Representatives and the Senate.</i></p>	<p>This provision continues the provision that permits GSA to pay small claims less than \$250,000 made against the Government.</p>
<p><i>Sec. 525. With respect to the Federal Buildings Fund construction and acquisition and major repair and alteration programs, and with respect to E-Government projects funded under the heading "Federal Citizen Services Fund", the Administrator of General Services shall submit a spending plan and explanation for each project to be undertaken to the Committees on Appropriations of the House of Representatives and the Senate not later than 60 days after the date of enactment of this Act.</i></p>	<p>This provision requires GSA to submit spend plans for certain programs.</p>

<p><i>Sec. 526. Section 3173(d)(1) of title 40, United States Code, is amended by inserting before the period the following: "or for agency-wide acquisition of equipment or systems or the acquisition of services in lieu thereof, as necessary to implement the Act".</i></p>	<p>This provision expands the purposes authorized for "major equipment acquisitions and development activity" to include any equipment, systems, or services that are necessary to implement the Chief Financial Officers Act of 1990.</p>
<p><i>Sec. 527. Section 3173(b)(1) of title 40, United States Code, is amended by inserting ",including advance payments," after "Amounts received".</i></p>	<p>This provision authorizes GSA to accept advance payments into the Working Capital Fund.</p>
<p><i>Sec. 528. Section 1078 of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115-91) is amended at the end of subsection (b)(4)(A) by striking: "\$250,000,000 for each of fiscal years 2018 and 2019" and inserting in its place "a total of \$500,000,000 for fiscal year 2018 and any subsequent fiscal years".</i></p>	<p>This provision updates the fiscal year limitation on when funds can be appropriated to the Technology Modernization Fund without changing the total amount authorized to be appropriated. This will provide the necessary authorization for appropriations to be made into the fund in fiscal year 2021.</p>

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## U.S. GENERAL SERVICES ADMINISTRATION



# FY 2021 Annual Performance Plan and FY 2019 Annual Performance Report

**REAL ESTATE**



**ACQUISITION**



**TECHNOLOGY**



**SHARED SERVICES**

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	2
PURPOSE	2
ABOUT GSA	2
MISSION, VISION, and VALUES	3
ORGANIZATIONAL STRUCTURE	3
<b>FY 2019 ANNUAL PERFORMANCE REPORT</b>	8
<b>FY 2021 ANNUAL PERFORMANCE PLAN</b>	12
<b>STRATEGIC FRAMEWORK</b>	12
<b>STRATEGIC OBJECTIVES (SO) and PERFORMANCE INDICATORS SUMMARY</b>	13
FY 2021 ANNUAL PERFORMANCE PLAN DETAILS	18
<b>STRATEGIC GOAL 1</b>	18
Save taxpayer money through better management of Federal real estate.	18
<b>STRATEGIC GOAL 2</b>	30
Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.	30
<b>STRATEGIC GOAL 3</b>	43
Improve the way Federal agencies buy, build, and use technology.	43
<b>STRATEGIC GOAL 4</b>	55
Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.	55
<b>MANAGEMENT AND PERFORMANCE CHALLENGES</b>	68
<b>EVIDENCE-BUILDING</b>	68
<b>DATA VALIDATION AND VERIFICATION</b>	69
<b>LOWER-PRIORITY PROGRAM ACTIVITIES</b>	69
<b>APPENDIX: ACRONYM AND ABBREVIATION LIST</b>	70

# EXECUTIVE SUMMARY

## PURPOSE

The U.S. General Services Administration's FY 2021 Agency Performance Plan (APP) and FY 2019 Agency Performance Report (APR) present both the goals and objectives for the next fiscal year and provides an overview of the agency's prior fiscal year performance.

The APP summarizes the level of performance GSA aims to achieve in FY 2021. The plan communicates the strategic goals, strategic objectives, supporting performance goals, and performance indicators to be accomplished. The FY 2019 APR summarizes GSA's performance toward meeting the goals and objectives described in the agency's FY 2019 APP.

Both the APP and the APR have been prepared in compliance with the Government Performance and Results Modernization Act of 2010, Pub L. 111-352, under guidance from the U.S. Office of Management and Budget Circular No. A-11 (2019), *Preparation, Submission, and Execution of the Budget*.

## ABOUT GSA

GSA has the honor of serving the American people by supporting other Federal agencies as they carry out their own critical missions. GSA's mission-support role ties back to its founding by President Harry S. Truman in 1949. In establishing GSA, President Truman sought to create one agency to help the Government avoid "senseless duplication, excess cost, and confusion in handling supplies, and providing space."

Over the last seven decades, the nation's population has more than doubled, the price of real estate in major cities has skyrocketed, technology has advanced exponentially, and the world has become vastly more interconnected. GSA supports Federal agencies as they evolve to meet new domestic and global challenges to better serve the American public. GSA's mission — to deliver value and savings in real estate, acquisition, technology, and other mission-support services across Government — reflects its position as a mission enabler for other Federal agencies.

GSA provides the spaces, technical innovations, and goods and services essential to operate the Federal Government. It provides workplaces by constructing, managing, and preserving Government buildings and by leasing and managing commercial real estate. Its acquisition solutions offer private sector professional services, equipment, supplies, telecommunications, and information technology to Government organizations and the military. Its technology leadership helps agencies buy, build, and use technology in ways that support their missions to better serve the public. And its implementation of Government-wide policies promotes management best practices and efficient Government operations.

GSA's success relies on bringing together a talented and diverse workforce — including real estate experts, architects, acquisition specialists, programmers, data scientists, and policy analysts — and building a cohesive, customer-focused team.

## MISSION, VISION, and VALUES

<b>MISSION</b>	Deliver value and savings in real estate, acquisition, technology, and other mission-support services across Government.
<b>VISION</b>	Effective and efficient Government for the American people.
<b>VALUES</b>	Service ♦ Accountability ♦ Innovation

## ORGANIZATIONAL STRUCTURE

Headquartered in Washington, D.C., GSA serves and supports more than 60 Federal departments and agencies through its:

- Central Office,
- Federal Acquisition Service,
- Public Buildings Service,
- Office of Government-wide Policy,
- 11 National Staff Offices,
- 11 Regional Offices, and
- 2 Independent Offices.

## GSA LEADERSHIP

### OFFICE OF THE ADMINISTRATOR



**Emily W. Murphy**  
Administrator



**Allison F. Brigati**  
Deputy Administrator



**Robert Borden**  
Chief of Staff



**Brian F. Barnes**  
White House Liaison

### NATIONAL SERVICES



**Julie Dunne**  
Federal Acquisition Service



**Daniel W. Mathews**  
Public Buildings Service



**Jessica Salmoiraghi**  
Office of Government-wide Policy



**Carol F. Ochoa**  
Office of the Inspector General



**Jeri Somers**  
Civilian Board of Contract Appeals

### OFFICE OF GOVERNMENT-WIDE POLICY

### INDEPENDENT OFFICES

### REGIONAL SERVICES



**Chris Averill**  
Region 1  
New England  
Boston, MA



**John A. Sarcone III**  
Region 2 Northeast & Caribbean  
New York, NY



**Joyce C. Haas**  
Region 3  
Mid-Atlantic  
Philadelphia, PA



**Brian Stern**  
Region 4  
Southeast Sunbelt  
Atlanta, GA



**Bradley Hansher**  
Region 5  
Great Lakes  
Chicago, IL



**Michael Copeland**  
Region 6  
The Heartland  
Kansas City, MO



**Giancarlo Brizzi**  
(Acting) Region 7  
Greater Southwest  
Ft. Worth, TX



**Penny Grout**  
(Acting) Region 8  
Rocky Mountain  
Denver, CO



**Thomas Scott**  
Region 9  
Pacific Rim  
San Francisco, CA



**Chaun Benjamin**  
(Acting) Region 10  
Northwest/Arctic  
Auburn, WA



**Scott Anderson**  
Region 11  
National Capital  
Washington, DC

### STAFF OFFICES



**Bob Stafford**  
Office of Administrative Services



**Gerard Badorrek**  
Office of the Chief Financial Officer



**David A. Shive**  
Office of GSA IT



**Mary Gibert**  
Office of Civil Rights



**Jeffrey A. Post**  
Office of Congressional and Intergovernmental Affairs



**Matthew Ford**  
(Acting) Office of Customer Experience



**Jack St. John**  
Office of General Counsel



**Antonia T. Harris**  
Office of Human Resources Management



**Robert J. Carter**  
Office of Mission Assurance



**Brian F. Barnes**  
(Acting) Office of Small Business Utilization



**Mark M. McHale**  
Office of Strategic Communication

## NATIONAL SERVICES and the OFFICE OF GOVERNMENT-WIDE POLICY

### Federal Acquisition Service

The Federal Acquisition Service (FAS) offers Federal agencies more than 28 million different products and services, and annually delivers over \$60 billion in information technology (IT) products, services, and solutions, telecommunications services, assisted acquisition services, travel and transportation management solutions, motor vehicles and fleet services, and charge card services. FAS manages over 219,000 leased vehicles, more than 3.5 million charge cards, and provides personal property disposal services facilitating the reuse of \$1 billion in excess and surplus personal property every year. FAS leverages the buying power of the Federal Government to negotiate prices on many of the products and services required by agencies for daily operations. By arranging a network of service providers for IT and total solutions for law enforcement, including security and facility management systems, FAS is able to meet the operating and mission requirements of a vast array of Federal agencies and State, Tribal, and local governments. Leveraging its technology transformation services and IT portfolios, FAS is developing and deploying Centers of Excellence to improve the public's experience with Government by obtaining and sharing technology applications, platforms, and processes to make agencies' services more accessible, efficient, and effective.



### Public Buildings Service

The Public Buildings Service (PBS) provides high-quality facility and workspace solutions to more than 50 Federal agencies, disposes of excess or unneeded Federal properties, and promotes the adoption of innovative workplace solutions and technologies. PBS acquires space on behalf of the Federal Government through new construction and leasing. PBS owns or leases more than 8,800 assets and maintains an inventory of nearly 370 million square feet of rentable workspace. Within this inventory, PBS has more than 413 owned and leased historic properties. Through lease and purchase transactions, PBS delivers the workspace necessary to meet the varied missions of its Federal customers.



### Office of Government-wide Policy

The Office of Government-wide Policy (OGP) uses policies, data, and strategy to drive efficiency and management excellence across the Federal Government for key administrative areas to include: shared services, travel and transportation, acquisition, fleet management, information technology modernization, and real estate management. OGP influences agency behavior in these areas through the development of Government-wide policy making, performance standards, data analysis and benchmarking, and transparent reporting of Government-wide data.



## STAFF OFFICES

GSA's Staff Offices support the enterprise and ensure GSA is prepared to meet the needs of customers, both on a day-to-day basis and in crisis situations:

- **Office of Administrative Services (OAS)**  
OAS delivers innovative, responsive, and timely value-added solutions for GSA's administrative, workplace, and information needs in ways that promote integrity, the efficient use of Government resources, and effective risk management
- **Office of the Chief Financial Officer (OCFO)**  
OCFO provides enterprise-wide budget, financial management, financial analysis, performance management, and strategic planning services to GSA business lines and Staff Offices. The OCFO also leads robotic process automation initiatives and workload elimination, optimization, and automation efforts.
- **Office of GSA IT (GSA IT)**  
GSA IT provides staff with innovative technology to improve capabilities, productivity, mobility, agility, and cost savings. GSA IT solutions include laptops, mobile devices, collaborative cloud-based software, training, and technical support. GSA IT ensures GSA and Federal information security and privacy requirements are implemented agency-wide.
- **Office of Civil Rights (OCR)**  
OCR administers five programs related to Federal civil rights laws and regulations: Equal Employment Opportunity, Affirmative Employment, Non-discrimination in Federally Conducted Programs and Activities, Environmental Justice, and Non-discrimination in Federally Assisted Programs and Activities. OCR also administers the appeals process for administrative grievances filed by GSA employees.
- **Office of Congressional and Intergovernmental Affairs (OCIA)**  
OCIA maintains agency liaison with Congress; prepares and coordinates the GSA annual legislative program; communicates the GSA legislative program to OMB, Congress, and other interested parties; and works closely with OMB in the coordination and clearance of all proposed legislation impacting GSA.
- **Office of Customer Experience (OCE)**  
OCE works with internal clients to enhance relationships with customers, industry partners, and stakeholders. OCE improves the end-to-end experience of GSA customers by aligning operations to customer needs. OCE leads qualitative and quantitative research, develops customer-centric strategies, builds the capacity of teams to practice human-centered design and gather customer feedback, and conducts pilots with internal and external partners.
- **Office of General Counsel (OGC)**  
OGC provides sound and timely legal advice and representation to GSA clients to enhance their ability to deliver the best value in real estate, acquisition, and technology services to the Government and the American people. OGC carries out all legal activities of GSA; ensures full and proper implementation of GSA's statutory responsibilities; and provides legal counsel to the Administrator, the Deputy Administrator, and other officials of GSA (with the exception of certain legal activities of the Office of Inspector General and the Civilian Board of Contract Appeals). The General Counsel is the chief legal officer of the agency and is responsible for legally sound implementation of GSA's mission responsibilities nationwide.

- **Office of Human Resources Management (OHRM)**  
OHRM delivers comprehensive human resources services and solutions to GSA and its employees. OHRM's primary focus is to work with GSA Services and Staff Offices to attract, motivate, develop, retain, and reward employees to maintain and enhance a mission-ready workforce.
- **Office of Mission Assurance (OMA)**  
OMA ensures resilience and continuity of the agency's critical business processes by integrating and coordinating activities across all domains of security (physical, personnel, and industrial), HSPD-12 credentialing, emergency management, and contingency and continuity planning. OMA provides an enterprise-wide approach to mission assurance planning while ensuring the safety, privacy, and security of GSA facilities, personnel, and assets nationwide.
- **Office of Small Business Utilization (OSBU)**  
OSBU has nationwide responsibility for GSA's small business programs, and is the chief advocate for small and disadvantaged businesses. OSBU collaborates with GSA mission-delivery and support offices to meet and exceed statutory prime and subcontracting small business and socio-economic small business goals. OSBU promotes small business access to GSA's nationwide procurement opportunities, ensures small business participation, and provides training.
- **Office of Strategic Communication (OSC)**  
OSC is the agency's resource for all internal and external communication needs, focusing on using communication to help GSA meet its mission and business goals. OSC services include internal communication, graphic design and production, media relations, web and social media, audiovisual production, writing and editing, speechwriting and executive communication, and risk communication and crisis management.

## INDEPENDENT OFFICES

- **Office of Inspector General (OIG)**  
The OIG is responsible for promoting economy, efficiency, and effectiveness, and for detecting and preventing fraud, waste, and mismanagement in GSA programs and operations.
- **Civilian Board of Contract Appeals (CBCA)**  
The CBCA is an independent tribunal housed within GSA. Its primary responsibility is to adjudicate contract disputes between civilian Federal agencies and contractors under the Contract Disputes Act.

# FY 2019 ANNUAL PERFORMANCE REPORT

GOALS (G)	Strategic Objectives (SO) and Performance Indicators (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Targets	FY 2019 Results
<p><b>(G1)</b> <b>REAL ESTATE</b></p> <p>Save taxpayer money through better management of Federal real estate.</p>	<b>SO 1.1 Reduce the cost of the Federal inventory</b>						
	Vacant space in inventory ↓	PBS	3.0%	2.9%	3.3%	3.0%	3.3%
	Percent of lease agreements negotiated at or below market rates ↔ <b>Agency Priority Goal</b>	PBS	49%	48%	44%	55%	48%
	Percent of leased revenue available after administering leasing program ↔	PBS	-1.16%	-0.59%	-0.40%	0 - 2%	-0.56%
	Percent of non-competitive sales and donations awarded within 220 days ↑	PBS	98%	90%	97.5%	93%	98%
	Percent of public sale properties awarded within 135 days ↑	PBS	98%	98%	98%	98%	99%
	Gross sales revenue from GSA and Federal Assets Sale and Transfers Act (FASTA) disposals (in millions) ↑	PBS	\$17.6	\$50.2	\$76.4	\$15	\$61.7
	<b>SO 1.2 Establish GSA as a more effective provider of real estate services for all agencies</b>						
	Energy intensity reduction (cumulative percent reduction from baseline year) ↑	PBS	3.78%	6.41%	5.41%	5.66%*	5.06%
	Percent of capital construction projects on schedule and on budget ↑	PBS	98%	99%	90%	85%	99%
	Tenant satisfaction with Government-owned and -leased space (Facilities Management Index) ↑	PBS	69%	70%	69%	70%	70%
	Percent of cleaning and maintenance costs within market range ↑	PBS	80.3%	73.2%	73.6%	80%	72%

\*FY 2019 target was reset based on Executive Order 13834, Efficient Federal Operations.

GOALS (G)	(continued) <b>Strategic Objectives (SO) and Performance Indicators</b> (Desired trend direction: ↑ = increasing ↓ = decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Targets	FY 2019 Results
<b>(G2) ACQUISITION</b>  Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.	<b>SO 2.1 Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand</b>						
	Customer loyalty score (10-point scale) ↑	FAS	7.5	7.4	7.5	7.5	7.6
	Acquisition program savings (in billions) ↑	FAS	\$6.02	\$5.17	\$5.86	\$5.90	\$6.51
	<b>SO 2.2 Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers</b>						
	Supplier satisfaction score (5-point scale) ↑	FAS	3.70*	3.61*	3.69*	3.73*	3.65
	<b>SO 2.3 Enhance customer agency access to qualified socio-economic entities</b>						
	Percent of GSA contract dollars awarded to small business through prime contracting ↑	OSBU	39.23%	42.68%	38.82%	30.0%	43.03%**
	Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category*** ↑ <i>SDB/WOSB (WO)/SDVOSB (SDV)/HUBZone (HUB)***</i>	OSBU	SDB 21.64% WO 9.31% SDV 5.32% HUB 3.89%	22.60% 8.85% 6.45% 4.95%	19.94% 8.55% 5.63% 3.98%	5% 5% 3% 3%	SDB 19.93%** WO 10.39%** SDV 4.98%** HUB 4.05%**
	Percent of GSA contract dollars awarded to small business through subcontracting ↑	OSBU	26.3%	42.4%	24.1%	25.5%	TBD**
	Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category ↑ <i>SDB/WOSB/SDVOSB/HUBZone***</i>	OSBU	SDB 7.60% WO 5.90% SDV 0.70% HUB 0.40%	5.30% 6.20% 1.90% 1.30%	5.50% 4.40% 1.62% 0.94%	5% 5% 3% 3%	TBD**
	Agency peer review score of Small Business Act compliance (SBA scorecard composite score)	OSBU	N/A	19.87%	20.5%	20%	TBD**
	Small business diversification across industries (SBA scorecard composite score)	OSBU	N/A	10.60%	11.8%	10%	TBD**
Percent of Multiple Award Schedule (MAS) business volume from small businesses ↑	FAS	37.4%	39.7%	38.4%	33.0%	38.8%	

\* Metric methodology was revised in FY 2018. FY 2016, FY 2017, and FY 2018 results reflect the new methodology. FY 2019 and FY 2020 targets are based on the new methodology.

\*\* The Small Business Administration (SBA) will report final FY 2019 results in 2020. Preliminary FY 2019 results are displayed as available.

\*\*\* SDB = Small Disadvantaged Business

WOSB = Women-Owned Small Business

SDVOSB = Service-Disabled Veteran-Owned Small Business

HUBZone = Historically Underutilized Business Zone

GOALS (G)	(continued) <b>Strategic Objectives (SO) and Performance Indicators</b> (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Targets	FY 2019 Results
<b>(G3) TECHNOLOGY</b>  Improve the way Federal agencies buy, build, and use technology.	<b>SO 3.1 Lead Government-wide technology modernization initiatives</b>						
	Number of customer agency systems with Federal Risk and Authorization Management Program (FedRAMP) authorizations (cumulative) ↑	FAS	72	88	121	145	159
	<b>SO 3.2 Drive more efficient and innovative Government procurement of technology services</b>						
	Volume of assisted technology acquisitions (in billions)↑	FAS	\$1.54	\$3.68	\$7.47	\$7.61	\$5.79
	Volume of assisted technology acquisitions (number of acquisitions) ↑	FAS	333	422	354	364	269
	<b>SO 3.3 Lead implementation of technical standards, policies, and strategies</b>						
	Percent increase of Government-wide tiered data center closures (cumulative) ↑	OGP	N/A	3.55%	8.95%	10.0%	13.09%
Percent of Government employees and contractors that log onto Government networks with a standardized, secure credential ↑	OGP	72%	81%	96%	95%	TBD*	
<b>(G4) SHARED SERVICES</b>  Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.	<b>SO 4.1 Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide</b>						
	Number of agency-owned (non-GSA) vehicles studied and consolidated by GSA (vehicles studied/vehicles consolidated) ↑ ● Agency Priority Goal	FAS	n/a studied	n/a studied	76,238 studied	100,000 studied	114,207 studied
			1,136 consolidated	911 consolidated	1,790 consolidated	5,000 consolidated	1,805 consolidated
	<b>SO 4.2 Promote adoption of shared services by agencies through policy, guidance, and benchmarking</b>						
Number of agencies using GSA's M3 tools and best practices to assess readiness for shared services ↑ (discontinued in FY 2020)	OGP	N/A	4	31	35	43	
Number of business lines with completed business standards and data elements per the Federal Integrated Business Framework (FIBF) (discontinued in FY 2020)	OGP	N/A	N/A	N/A	3	1	

\*Results will be available after the annual OMB Federal Information Security Management Act report is released in August 2020.

GOALS (G)	(continued) <b>Performance Indicators</b> (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	Lead Office	FY 2016 Results	FY 2017 Results	FY 2018 Results	FY 2019 Target	FY 2019 Results
(continued)  <b>(G4) SHARED SERVICES</b>  Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.	<b>SO 4.3 Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government</b>						
	Total GSA operating cost as a percentage of goods and services provided ↓	OCFO	9.44%	9.25%	8.45%	9.00%	8.01%
	Effectiveness of GSA CXO functions, as measured by customer satisfaction (7-point scale) ↑	CXO	4.96	5.07	5.16	5.23	5.42
	Percent of GSA IT portfolio utilizing cloud technologies ↑	OCIO	42%	42%	47%	50%	50%
	Competition rate for GSA acquisitions ↑	OGP	80.3%	81.4%	82.6%	80.0%	85.4%
	Competitive One-Bid rate for GSA acquisitions ↓	OGP	14.3%	14.9%	18.0%	15.0%	15.4%
	Federal Employee Viewpoint Survey — Connection to GSA's mission (percent positive) ↑	GSA Service & Staff Offices	72.2%	76.2%	77%	78%	79.6%

# FY 2021 ANNUAL PERFORMANCE PLAN

## STRATEGIC FRAMEWORK

The strategic framework as defined in the GSA FY 2018–2022 Strategic Plan is presented below:

STRATEGIC GOALS (G)			
<p><b>(G1) REAL ESTATE</b> Save taxpayer money through better management of Federal real estate.</p>	<p><b>(G2) ACQUISITION</b> Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.</p>	<p><b>(G3) TECHNOLOGY</b> Improve the way Federal agencies buy, build, and use technology.</p>	<p><b>(G4) SHARED SERVICES</b> Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.</p>
STRATEGIC OBJECTIVES (SO) and PERFORMANCE GOALS (PG)			
<p><b>SO 1.1</b> Reduce the cost of the Federal inventory.</p> <ul style="list-style-type: none"> <li>● <b>PG 1.1.1</b> Reduce vacant space in inventory</li> <li>● <b>PG 1.1.2</b> Lease cost relative to the average market rate</li> <li>● <b>PG 1.1.3</b> Generate sufficient funds from operations to effectively operate GSA leased buildings</li> <li>● <b>PG 1.1.4</b> Timely award of non-competitive sales and donations</li> <li>● <b>PG 1.1.5</b> Timely award of public sale properties</li> <li>● <b>PG 1.1.6</b> Generate revenue from real property sales</li> </ul>	<p><b>SO 2.1</b> Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand.</p> <ul style="list-style-type: none"> <li>● <b>PG 2.1.1</b> Increase customer satisfaction</li> <li>● <b>PG 2.1.2</b> Expand the use of GSA acquisition solutions across the Government</li> </ul>	<p><b>SO 3.1</b> Lead Government-wide technology modernization initiatives.</p> <ul style="list-style-type: none"> <li>● <b>PG 3.1.1</b> Provide agencies with cloud authorizations to modernize IT portfolios</li> <li>● <b>PG 3.1.2</b> Expand agencies' use of GSA technology solutions</li> </ul>	<p><b>SO 4.1</b> Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide.</p> <ul style="list-style-type: none"> <li>● <b>PG 4.1.1</b> Expand centralized services</li> </ul>
<p><b>SO 1.2</b> Establish GSA as a more effective provider of real estate services for all agencies.</p> <ul style="list-style-type: none"> <li>● <b>PG 1.2.1</b> Reduce total energy intensity</li> <li>● <b>PG 1.2.2</b> Complete capital projects on schedule and budget</li> <li>● <b>PG 1.2.3</b> Improve tenant satisfaction in Government-owned and -leased space — Facilities Management Index</li> <li>● <b>PG 1.2.4</b> Provide building cleaning and maintenance at competitive costs</li> </ul>	<p><b>SO 2.2</b> Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers.</p> <ul style="list-style-type: none"> <li>● <b>PG 2.2.1</b> Increase supplier satisfaction</li> <li>● <b>PG 2.2.2</b> Consolidate Multiple Award Schedule</li> </ul>	<p><b>SO 2.3</b> Drive more efficient and innovative Government procurement of technology services.</p> <ul style="list-style-type: none"> <li>● <b>PG 3.2.1</b> Improve agency technology procurement capabilities through acquisition consulting</li> </ul>	<p><b>SO 2.3</b> Enhance customer agency access to qualified small and socio-economic businesses.</p> <ul style="list-style-type: none"> <li>● <b>PG 2.3.1</b> Create more opportunities for small and socio-economic businesses</li> </ul>
<p><b>SO 3.2</b> Drive more efficient and innovative Government procurement of technology services.</p> <ul style="list-style-type: none"> <li>● <b>PG 3.2.1</b> Improve agency technology procurement capabilities through acquisition consulting</li> </ul>	<p><b>SO 3.3</b> Lead implementation of technical standards, policies, and strategies.</p> <ul style="list-style-type: none"> <li>● <b>PG 3.3.1</b> Provide agencies with the tools and resources to implement IT standards and policies</li> </ul>	<p><b>SO 3.3</b> Lead implementation of technical standards, policies, and strategies.</p> <ul style="list-style-type: none"> <li>● <b>PG 3.3.1</b> Provide agencies with the tools and resources to implement IT standards and policies</li> </ul>	<p><b>SO 4.2</b> Promote adoption of shared services by agencies through policy, guidance, and benchmarking.</p> <ul style="list-style-type: none"> <li>● <b>PG 4.2.1</b> Reduce barriers to entry to facilitate easier adoption of shared services</li> </ul>
<p><b>SO 4.2</b> Promote adoption of shared services by agencies through policy, guidance, and benchmarking.</p> <ul style="list-style-type: none"> <li>● <b>PG 4.2.1</b> Reduce barriers to entry to facilitate easier adoption of shared services</li> </ul>	<p><b>SO 4.3</b> Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government.</p> <ul style="list-style-type: none"> <li>● <b>PG 4.3.1</b> Efficient and effective mission-support services at GSA (CXO and non-CXO functions)</li> <li>● <b>PG 4.3.2</b> Highly engaged GSA workforce that is prepared to support and deliver new and expanded offerings</li> </ul>	<p><b>SO 4.3</b> Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government.</p> <ul style="list-style-type: none"> <li>● <b>PG 4.3.1</b> Efficient and effective mission-support services at GSA (CXO and non-CXO functions)</li> <li>● <b>PG 4.3.2</b> Highly engaged GSA workforce that is prepared to support and deliver new and expanded offerings</li> </ul>	<p><b>SO 4.3</b> Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government.</p> <ul style="list-style-type: none"> <li>● <b>PG 4.3.1</b> Efficient and effective mission-support services at GSA (CXO and non-CXO functions)</li> <li>● <b>PG 4.3.2</b> Highly engaged GSA workforce that is prepared to support and deliver new and expanded offerings</li> </ul>

## STRATEGIC OBJECTIVES (SO) and PERFORMANCE INDICATORS SUMMARY

<b>Performance Indicators</b> (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	<b>Lead Office</b>	<b>FY 2017 Results</b>	<b>FY 2018 Results</b>	<b>FY 2019 Results</b>	<b>FY 2020 Targets</b>	<b>FY 2021 Targets</b>
<b>SO 1.1 Reduce the cost of the Federal inventory</b>						
Vacant space in inventory ↓	PBS	2.9%	3.3%	3.3%	3.0%	3.0%
Lease cost relative to average market rate ↓ ● FY 2020 - 2021 Agency Priority Goal	PBS	-3.7%	-5.2%	-17%	≤ -7.0%	≤ -7.0%
Percent of leased revenue available after administering leasing program ↔	PBS	-0.59%	-0.40%	-0.56%	-1.1% to 1%	-1.1% to 1%
Percent of non-competitive sales and donations awarded within 220 days ↑	PBS	90%	97.5%	98%	93%	93%
Percent of public sale properties awarded within 135 days ↑	PBS	98%	98%	99%	98%	98%
Gross sales revenue from GSA disposals (in millions) ↑	PBS	\$50.2	\$76.4	\$61.7	\$15.0	\$13.5
<b>SO 1.2 Establish GSA as a more effective provider of real estate services for all agencies</b>						
Energy intensity reduction (cumulative % reduction from baseline year) ↑ *	PBS	6.41%	5.41%	5.06%	5.31%	-0.25% of FY 2020 Results
Percent of capital construction projects on schedule and on budget ↑	PBS	99%	90%	99%	90%	90%
Tenant satisfaction with Government-owned and -leased space (Facilities Management Index) ↑	PBS	70%	69%	70%	71%	71%
Percent of cleaning and maintenance costs within market range ↑	PBS	73.2%	73.6%	72%	80%	80%
<b>SO 2.1 Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand</b>						
Customer loyalty score (10-point scale) ↑	FAS	7.4	7.5	7.6	7.6	7.7
Acquisition program savings (in billions) ↑	FAS	\$5.17	\$5.86	\$6.51	\$6.6	\$6.7

\* FY 2020 target was reset based on Executive Order 13834, Efficient Federal Operations.

<i>(continued)</i>						
<b>Performance Indicators</b> (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	<b>Lead Office</b>	<b>FY 2017 Results</b>	<b>FY 2018 Results</b>	<b>FY 2019 Results</b>	<b>FY 2020 Targets</b>	<b>FY 2021 Targets</b>
<b>SO 2.2 Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers</b>						
Supplier satisfaction score (5-point scale) ↑	FAS	3.61	3.69	3.65	3.70	3.75
Percent of vendors transitioned to new consolidated Multiple Award Schedule (MAS) ● FY 2020 - 2021 Agency Priority Goal	FAS	N/A	N/A	N/A	50%	100%
Multiple Award Schedule (MAS) Sales (in billions) ● FY 2020 - 2021 Agency Priority Goal	FAS	\$31.1B	\$31.2B	\$32.0	\$32.3	\$32.5
<b>SO 2.3 Enhance customer agency access to qualified socio-economic entities</b>						
Percent of GSA contract dollars awarded to small business through prime contracting ↑	OSBU	42.68%	38.82%	43.03%*	29.0%	TBD**
Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category ↑ <i>SDB / WOSB / SDVOSB (SDV) / HUBZone (HUB) ***</i>	OSBU	22.60% 8.85% 6.45% 4.95%	19.94% 8.55% 5.63% 3.98%	SDB 19.93%* WOSB 10.39%* SDV 4.98%* HUB 4.05%*	5% 5% 3% 3%	5% 5% 3% 3%
Percent of GSA contract dollars awarded to small business through subcontracting ↑	OSBU	42.4%	24.1%	TBD*	24.0%	TBD**
Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category ↑ <i>SDB / WOSB / SDVOSB / HUBZone***</i>	OSBU	5.30% 6.20% 1.90% 1.30%	5.50% 4.40% 1.62% 0.94%	TBD*	5% 5% 3% 3%	5% 5% 3% 3%
Agency peer review score of Small Business Act compliance (SBA scorecard composite score)	OSBU	19.87%	20.5%	TBD*	20%	TBD**
Small business diversification across industries (SBA scorecard composite score)	OSBU	10.6%	11.8%	TBD*	10%	TBD**
Percent of Multiple Award Schedule (MAS) business volume from small businesses ↑	FAS	39.7%	38.4%	38.8%	33.0%	33.0%
<b>SO 3.1 Lead Government-wide technology modernization initiatives</b>						
Number of customer agency systems with FedRAMP authorizations (cumulative) ↑	FAS	88	121	159	183	210
Percent of Major IT Project spend with GSA involvement ↑	FAS	N/A	22%	23%	24%	25%

\* The Small Business Administration (SBA) will report final FY 2019 results in 2020. Preliminary FY 2019 results are displayed as available.

\*\* Target will be set by SBA.

\*\*\* SDB = Small Disadvantaged Business

WOSB = Women-Owned Small Business

SDVOSB = Service-Disabled Veteran-Owned Small Business

HUBZone = Historically Underutilized Business Zone

(continued)						
<b>Performance Indicators</b> (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	<b>Lead Office</b>	<b>FY 2017 Results</b>	<b>FY 2018 Results</b>	<b>FY 2019 Results</b>	<b>FY 2020 Targets</b>	<b>FY 2021 Targets</b>
<b>SO 3.2 Drive more efficient and innovative Government procurement of technology services</b>						
Centers of Excellence (# of Interagency Agreements (IAAs) signed) (cumulative) ↑	FAS	N/A	2	5	7	10
Centers of Excellence (#) (cumulative) ↑	FAS	N/A	5	14	19	26
<b>SO 3.3 Lead implementation of technical standards, policies, and strategies</b>						
Percent increase of Government-wide tiered data center closures (cumulative) ↑	OGP	3.55%	8.95%	13.09%	14.0%	N/A**
Percent of Government employees and contractors that log onto Government networks with a standardized, secure credential ↑	OGP	81%	96%	TBD*	98%	N/A**
Number of cloud strategies and action plans developed in accordance with update to Data Center Optimization Initiative (DCOI) ↑	OGP	N/A	N/A	N/A	5	5
Number of CFO Act agencies with updated risk assessments completed utilizing Federal Identity, Credential, and Access Management (FICAM) playbooks and tool (cumulative) ↑	OGP	N/A	N/A	N/A	6	12

\*Results will be available after the annual OMB Federal Information Security Management Act report is released in August 2020.

\*\*Metric to be discontinued in FY 2021.

<i>(continued)</i> <b>Performance Indicators</b> (Desired trend direction: ↑= increasing ↓= decreasing ↔ = within range)	<b>Lead Office</b>	<b>FY 2017 Results</b>	<b>FY 2018 Results</b>	<b>FY 2019 Results</b>	<b>FY 2020 Targets</b>	<b>FY 2021 Targets</b>
<b>SO 4.1 Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government-wide</b>						
Number of agency-owned (non-GSA) vehicles consolidated by GSA	FAS	911	1,790	1,805	1,500	2,000
<b>SO 4.2 Promote adoption of shared services by agencies through policy, guidance, and benchmarking</b>						
Number of business lines that go through a readiness assessment ↑	OGP	N/A	5	1	1	1
Number of components that have advanced to the next stage of the standards development process as part of the FIBF ↑	OGP	0	5	15	12	12
<b>SO 4.3 Support the overall mission of GSA by investing in our employees and modeling how we deliver internal support services, while providing policy guidance across Government</b>						
Total GSA operating cost as a percentage of goods and services provided ↓	OCFO	9.25%	8.45%	8.01%	8.60%	8.50%
Effectiveness of GSA CXO functions, as measured by customer satisfaction (7-point scale) ↑	CXO	5.07	5.16	5.42	5.27	5.40
Percent of GSA IT portfolio utilizing cloud technologies ↑	GSA IT	42%	47%	50%	52%	53%
Competition rate for GSA acquisitions ↑	OGP	81.4%	82.6%	85.4%	80.0%	80.0%
Competitive One-Bid rate for GSA acquisitions ↓	OGP	14.9%	18.0%	15.4%	15.0%	15.0%
Federal Employee Viewpoint Survey - Connection to GSA's Mission (% positive) ↑	GSA Service & Staff Offices	76.2%	77%	79.6%	79%	79%

## FY 2020 to 2021 AGENCY PRIORITY GOALS (APGs)

<b>APG 1</b>	<p><b>Lease Cost Relative to Market (LCRM)</b></p> <p>GSA will achieve savings for the taxpayer by negotiating leases below average market rates by engaging in longer lease terms when they allow GSA to obtain more favorable rates and conditions; increasing the use of the force multiplier tools, both the Automated Advanced Acquisition Program (AAAP) and the GSA Leasing Support (GLS) services contract; and timely replacement of expiring leases.</p>
<b>APG 2</b>	<p><b>Multiple Award Schedule Reform - Schedules Consolidation</b></p> <p>As part of GSA’s Federal Marketplace strategy to make the Government buying and selling experience easy, efficient, and modern, GSA will consolidate the agency’s 24 Multiple Award Schedules (MAS) into one single Schedule for products, services, and solutions by the end of FY 2021 for more than 12,000 vendors. The single Schedule will have consistent terms and conditions that also provide the opportunity for industry to come to market the way the agencies buy.</p>

## FY 2021 ANNUAL PERFORMANCE PLAN DETAILS

### STRATEGIC GOAL 1

#### Save taxpayer money through better management of Federal real estate.



GSA will continue to achieve significant cost savings for the Federal Government by optimizing the use of the GSA real estate portfolio. Effective asset management, integrated delivery of workspace solutions, and consistent application of project management principles will provide customers the opportunity to enhance their work environments, reduce real estate costs, and effectively deliver on their missions. Reduced real estate costs should provide opportunities for customers to shift spending to mission-related activities.

Portfolio planning with customers at the national and local levels will enable customers to consider innovative workplace strategies and arrive at cost-effective, state-of-the-art real estate solutions. In doing so, GSA will continue to promote investments to optimize federally owned assets and lower the cost of the leased portfolio. GSA will continue to increase the sales of under-utilized federally owned property to ensure a Government-owned portfolio of high-performing assets.

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#### Strategic Objective 1.1: Reduce the cost of Federal inventory.

PBS' execution of the Real Estate Investment and Savings Strategy in FY 2020 will be central to the delivery of real estate solutions and will achieve savings for the American taxpayer. This initiative presents an opportunity to reduce future spending on leased space by billions of dollars. PBS can achieve lower rental rates and reduce future rental of space payments significantly by replacing the large inventory of expiring leases with leases at a reduced square footage, with longer terms, and with rates negotiated at or below market rental rates.

During the period from FY 2019 through FY 2023, approximately 60 percent of PBS leases will expire. This creates a unique opportunity to restructure this lease portfolio and meet agency facility needs at a significantly reduced cost over the life of the replacement leases. In FY 2018, PBS initiated the Lease Cost Avoidance Plan (LCAP) to replace these leases and restructure the PBS portfolio. PBS established a Lease Cost Avoidance goal of reducing Federal Buildings Fund obligations by approximately \$4.7 billion over the duration of these lease contracts. This new approach to PBS leasing was incorporated into the Real Estate Investment and Savings Strategy in FY 2019.

In order to achieve the benefits in managing lease expirations, PBS realigned internal resources to critical positions and will allot additional resources to increasing productivity and accelerating the lease replacement rate. Reducing lease costs for agencies will allow them to dedicate more resources to their missions. The Real Estate Investment and Savings Strategic initiative creates a tremendous opportunity for reducing the Federal footprint, saving taxpayer dollars, and fulfilling GSA's mission.

#### Key Strategies

- A. Footprint Optimization
  - a. Invest in major building improvements, new construction, and consolidation projects to accelerate the reduction of space. Backfill Federal space with agencies occupying costly leased space upon lease expiration. Balance investments between new construction and existing assets to effectively manage GSA's portfolio of Federal assets.

- b. Increase assets with positive funds from operations by continuing to identify and invest in core assets on the basis of Federal need, asset use, asset condition, and market value.
  - c. Dispose of underperforming Federal assets by working with agencies to develop and prioritize effective and efficient real property repositioning strategies. Aggressively identify and dispose of underperforming Federal assets through expanded sales and out leases, auctions, and transfers to local entities. Partner with stakeholders to ensure disposal projects leave a positive impact on communities.
- B. Lease Cost Avoidance**
- a. Increase use of longer lease terms, where appropriate, as a mechanism for cost avoidance.
  - b. Increase use of the Automated Advanced Acquisition Program (AAAP) and broker services contracts to accelerate the lease replacement rate and avoid costly lease extensions. AAAP is a multiple award lease procurement tool. It allows potential suppliers to compete for Federal leases by submitting a single offer through an online portal. The broker contractor assists GSA in delivering the best value by leveraging private sector resources and expertise to assist in accomplishing the leasing workload.
- C. PBS Productivity**
- a. PBS is evaluating resource needs across the organization to ensure staff are in place and equipped to successfully carry out the plan. Strategic investment in human capital, specifically with regard to expertise in lease contracting, construction management, and cost estimating will ensure staff expertise is aligned with the opportunity to capitalize on upcoming lease expirations.
  - b. Invest additional resources to achieve the benefits in managing lease expirations.

Goal Leader	Daniel W. Mathews, Commissioner Public Buildings Service
Contributing Programs	<ul style="list-style-type: none"> <li>● Portfolio Management and Customer Engagement</li> <li>● Leasing</li> <li>● Real Property Utilization and Disposal</li> <li>● Construction and Acquisition</li> </ul>

**Strategic Objective 1.1 – FY 2019 Progress Update**

FY 2018, GSA is on a trajectory to realize major cost avoidance for the taxpayer. By partnering with customer agencies to shape the demand for leased space and improving lease execution practices, GSA avoided approximately \$2 billion in full term lease costs through FY 2019 and is projecting to avoid approximately \$4.7 billion in total full term lease costs by FY 2023. For FY 2019, GSA negotiated 48 percent (261 out of 544 transactions) of leases at or below the average of comparable market rates, which is an improvement over FY 2018 (44 percent). The total aggregated GSA lease costs were 17 percent below market lease costs, compared to 5.2 percent at the end of FY 2018, which is a dramatic improvement over a 2-year time period.

By focusing on improving the utilization rates in larger lease transactions and negotiating longer term leases, when appropriate, GSA is generating major overall lease cost avoidance. In FY 2019, 46 percent of leases had a firm term of 10 years or greater, compared to only 26 percent at the end of FY 2017.

GSA recently developed a 5-year capital improvement plan that will prioritize repair and alterations (R&A) projects in federally owned assets, and takes into consideration potential savings in reducing liabilities, consolidating agency footprints, and reducing lease costs. Consolidating tenants and improving utilization will reduce the size and cost of the overall Federal inventory. Vacant space remains

slightly higher than the 3-percent target due to Reduce the Footprint and consolidation initiatives that require holding on to vacant space for more strategic asset business planning. While GSA is slightly higher than its target, GSA’s vacant space remains lower than the private sector. Since FY 2015, when the Reduce the Footprint Initiative began, GSA has helped its customers reduce almost 5 million rentable square feet (RSF). In FY 2019, GSA increased its portfolio by approximately 900,000 RSF; however, 1.7 million RSF in GSA’s inventory in FY 2019 was attributed to temporary lease space for Census 2020. GSA’s Real Property Disposal Division awarded 167 disposal projects on behalf of all Federal agencies totaling 879,000 RSF. In an effort to save taxpayer money through better management of Federal real estate, GSA will continue to look at ways to restructure the Federal portfolio while partnering with customer agencies.

<b>Performance Goal 1.1.1 - Reduce vacant space in inventory</b>	
<b>Benefit to the Public</b>	Better utilization of Federal workspace reduces the Government’s operational costs.
<b>Performance Indicator Definition</b>	<u>Vacant space in inventory:</u> Reflects the vacant space in GSA's owned and leased space, without a customer agency paying rent. Specifically, it reports the total square feet of unoccupied space as a percentage of total square feet in GSA's owned and leased workspace inventory. GSA excludes space currently undergoing major renovation. Data source is <i>Real Estate Across the United States</i> (REXUS) inventory data set.
<b>Progress Update</b>	In FY 2019, GSA had 3.3 percent vacant space in owned and leased buildings, missing the target by 0.3 percent. GSA’s vacant space is well below the 12 percent rate in the private sector (based on the CBRE US Vacant Office Rate). GSA’s goal remains 3.0 percent vacancy and efforts continue towards lowering this rate. In FY 2020 and beyond, GSA will continue to develop cost-effective housing strategies to reduce space, including vacant space, to save agencies and taxpayer money.

<b>Vacant space in inventory</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	3.2%	3.0%
2017	3.2%	2.9%
2018	3.0%	3.3%
2019	3.0%	3.3%
2020	3.0%	N/A
2021	3.0%	N/A
<b>Lead Office:</b> Public Buildings Service		

<b>Performance Goal 1.1.2 - Generate savings by negotiating leases at or below market rates</b>	
● Agency Priority Goal	
<b>Benefit to the Public</b>	Negotiating leases at or below comparable market costs ensures GSA acquires Federal office space at the best value for the taxpayer.

<p><b>Performance Indicator Definition</b></p>	<p>Percent of lease agreements negotiated at or below market rates                  ● <u>FY 2018–2019 Agency Priority Goal (discontinued in FY 2020):</u>                  Compares GSA leasing costs to private sector benchmarks for equivalent office space in major markets. The market lease rate is based on GSA’s Bullseye report, which combines rates from respected nationwide commercial real estate sources. The net present value of life-cycle leasing transaction costs are used to compare negotiated leases with market value leases.</p> <hr/> <p>Lease cost relative to the average market rate                  ● <u>FY 2020–2021 Agency Priority Goal:</u>                  Compares the aggregate net present value (NPV) of the costs of the GSA deals to the aggregate NPV of the market deals for equivalent office space.</p>
<p><b>Progress Update</b></p>	<p>Through the fourth quarter of FY 2019, GSA negotiated 48 percent (261 out of 544 transactions) of leases at or below the average market rates. Although a little more than half of the individual transactions were above market costs, the total aggregated GSA lease costs were 17 percent below market lease costs (\$495.4 million in present day dollars).</p>

Percent of lease agreements negotiated at or below market rates ● FY 2018–2019 Agency Priority Goal (discontinued in FY 2020)		
Fiscal Year	Target	Results
2016	55%	49%
2017	55%	48%
2018	55%	44%
2019	55%	48%
<b>Lead Office:</b> Public Buildings Service		

Lease cost relative to the average market rate ● FY 2020–2021 Agency Priority Goal		
Fiscal Year	Target	Results
2017	Baseline	-3.7%
2018	Baseline	-5.2%
2019	Baseline	-17.0%
2020	≤ -7.0%	N/A
2021	≤ -7.0%	N/A
<b>Lead Office:</b> Public Buildings Service		

<b>Performance Goal 1.1.3 - Generate sufficient funds from operations to effectively operate GSA leased buildings</b>	
<p><b>Benefit to the Public</b></p>	<p>Achieving break-even status in lease revenue available after program administration costs demonstrates that the leasing program can efficiently operate within the fees collected from customer agencies. Efficient delivery of leased workspace provides agencies greater flexibility in housing their workforce and operations and managing their resources.</p>

<p><b>Performance Indicator Definition</b></p>	<p><u>Percent of leased revenue available after administering the leasing program:</u>                  This performance indicator measures the leasing program’s revenue available after program administration costs and is calculated by taking the leased inventory revenue minus all expenses (excluding depreciation) associated with the inventory. If the measure is negative, costs were greater than revenues.</p>
<p><b>Progress Update</b></p>	<p>In FY 2019, GSA had -0.56 percent of lease revenue available after administering the lease program, which is below GSA’s target of 0 to 2 percent. GSA is investing in additional resources dedicated to executing the Leasing program in support of its long term savings goals. Specifically, PBS in dedicating additional resources to the replacement of expiring high value leases with longer term leases to achieve greater lease savings. GSA’s adjusted targets in FY 2020 and FY 2021 reflect this strategy since the increase in funded expenses for resources will impact this measure negatively. GSA will work to improve this performance goal by working collaboratively across the organization. Specifically, GSA will focus on timely and accurate customer billing and lessor payments, vacant space and related security expenses, lease formulation and buyout costs, and general and administrative expenses in excess of PBS fee revenue for small dollar value leases. GSA is also working to capture efficiencies by automating certain processes. GSA’s goal is to balance expenses with revenue in FY 2020.</p>

<p><b>Percent of leased revenue available after administering leasing program</b></p>		
<p><b>Fiscal Year</b></p>	<p><b>Target</b></p>	<p><b>Results</b></p>
<p>2016</p>	<p>0% to 2%</p>	<p>-1.16%</p>
<p>2017</p>	<p>0% to 2%</p>	<p>-0.59%</p>
<p>2018</p>	<p>0% to 2%</p>	<p>-0.40%</p>
<p>2019</p>	<p>0% to 2%</p>	<p>-0.56%</p>
<p>2020</p>	<p>-1.1% to 1%</p>	<p>N/A</p>
<p>2021</p>	<p>-1.1% to 1%</p>	<p>N/A</p>
<p><b>Lead Office:</b> Public Buildings Service</p>		

<p><b>Performance Goal 1.1.4 - Timely award of non-competitive sales and donations</b></p>	
<p><b>Benefit to the Public</b></p>	<p>Decreasing cycle times for non-competitive sales and donations increases the speed of disposing surplus Federal property and supports the management of a financially self-sustaining portfolio. Maintaining a viable, self-sustaining inventory of real properties ensures Federal agencies have the appropriate facilities at the best cost.</p>
<p><b>Performance Indicator Definition</b></p>	<p><u>Percent of non-competitive sales and donations awarded within 220 days:</u>                  Reports the number of non-competitive sales and donations awarded within 220 days (minus hold times) as a percentage of total public sales. Hold time occurs when a disposal action experiences a delay because of</p>

	<p>pending legislation, environmental concerns, title problems, historical building reviews, or litigation.</p> <p>Non-competitive sales and donations include negotiated sales, public benefit conveyances, and Federal transfers. The time of award refers to the date the property is transferred to another agency, assigned to a sponsoring agency, or deeded to a public body.</p>
<b>Progress Update</b>	<p>Real Property Utilization and Disposal has been operating at stretch-goal performance with regard to this measure; 98 percent of non-competitive sales and donations were awarded within 220 days. Although many factors beyond PBS’ control can affect the cycle-time of these types of disposals, PBS is optimistic that the organization can continue to maintain this level of stretch-goal performance in the long-term.</p>

<b>Percent of non-competitive sales and donations awarded within 220 days</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	90%	98%
2017	90%	90%
2018	93%	97.5%
2019	93%	98%
2020	93%	N/A
2021	93%	N/A
<b>Lead Office:</b> Public Buildings Service		

<b>Performance Goal 1.1.5 - Timely award of public sale properties</b>	
<b>Benefit to the Public</b>	<p>Decreasing the cycle time for public sales accelerates the disposal of surplus Federal properties and supports the management of a financially self-sustaining portfolio of Federal real property assets. Maintaining a viable, self-sustaining inventory of real property ensures Federal agencies have the appropriate facilities at the best cost.</p>
<b>Performance Indicator Definition</b>	<p><u>Percent of public sale properties awarded within 135 days:</u>                      Reports the number of public sales awarded within 135 days (minus hold times) as a percentage of total public sales. Hold time occurs when the disposal experiences an unavoidable delay because of pending legislation, historical building reviews, or litigation. The time of award refers to the date the offer to purchase is completed by GSA and the purchaser.</p>
<b>Progress Update</b>	<p>Real Property Utilization and Disposal has been operating at stretch-goal performance and achieved 99 percent of total public sales on time in FY 2019. Although issues beyond PBS’ control can negatively affect the cycle-time for public sales (e.g., weak real estate markets, poor property condition, public resistance to the Government property sale, etc.). PBS is optimistic that this level of performance can be sustained.</p>

Percent of public sale properties awarded within 135 days		
Fiscal Year	Target	Results
2016	90%	98%
2017	90%	98%
2018	98%	98%
2019	98%	99%
2020	98%	N/A
2021	98%	N/A
Lead Office: Public Buildings Service		

Performance Goal 1.1.6 - Generate revenue from GSA disposals	
<b>Benefit to the Public</b>	Executing disposals in an accelerated and effective manner reduces the Government’s inventory of civilian real property, returns underutilized and highly valuable real property to productive use, and ensures effective monetary value returned on the taxpayer’s investments.
<b>Performance Indicator Definition</b>	<u>Gross sales revenue from GSA disposals (\$):</u> This measure will track the total gross revenue of all GSA federal real properties brought to successful sale in fiscal year 2020 and 2021. This will include all sales and those done under any other disposal method. It will also include any revenue from federal transfers.
<b>Progress Update</b>	Real Property Utilization and Disposal has several reports of excess for GSA properties in the pipeline that will contribute toward this measure. GSA continues to evaluate their portfolio and conduct due diligence to identify additional under and unutilized properties that will be reported excess with anticipated sales dates in FY 2021.

Gross sales revenue from GSA disposals (in millions)		
Fiscal Year	Target	Results
2016	N/A	\$17.6
2017	N/A	\$50.2
2018	N/A	\$76.4
2019	\$15.0	\$61.7
2020	\$15.0	N/A
2021	\$13.5	N/A
Lead Office: Public Buildings Service		

**Strategic Objective 1.2: Establish GSA as a more effective provider of real estate services for all agencies.**

GSA will support Federal agencies in fulfilling their mission by offering integrated turn-key services, providing high-quality facility and workspace solutions, and improving responsiveness and value to customers. Adding to ongoing efforts, GSA will focus on reducing costs without reducing service levels through increased use of standardized contracts and GSA procurement tools for building operations and maintenance contracting. To more fully assess customer experience, GSA will use an improved methodology to gauge the Federal customer's experience and satisfaction with services. Finally, GSA will provide staff with the tools to ensure delivery of high-quality services.

**Key Strategies**

1. Use targeted capital investments to optimize owned Federal assets and enable lease cost avoidance.
  - a. Build high-value roadmap for highest return on investment (ROI) projects to reshape the portfolio.
  - b. Set up rapid impact teams for key clients. Streamline the process to address urgent and compelling customer needs.
  - c. Work with FASTA board to rapidly assess and act on proposed portfolio for real property disposals of underutilized Government real property.
  - d. Work with Federal Real Property Council (FRPC) to establish Government performance standards for real property.
2. Save taxpayer dollars by shaping demand for and improving the execution of leases.
  - a. Focus efforts on the highest-value leases. Twenty percent of GSA's leases account for 80 percent of the agency's rental payments.
  - b. Reduce the footprint through advanced and collaborative planning on expiring leases. Advanced planning allows GSA to work with its customers by identifying essential needs, acting on best alternatives to improve workspace utilization, and negotiating below market rates.
  - c. Work with external stakeholders to improve timely appropriations associated with funding future tenant agency moves and construction projects.
3. Improve the efficiency with which GSA delivers workspace to the Government by leveraging talent and improving processes and tools.
  - a. Strategic Talent Management: Plan for the workforce of the future by shifting human capital to focus on higher value work.
    - i. Establish a strategic talent management board within PBS and in partnership with the Office of Human Resource Management (OHRM), achieving a concise and successful staffing plan.
    - ii. Leverage OHRM resources to deliver results within budget constraints.
  - b. Facilities Optimization: Standardize core processes by leveraging shared tools and resources.
    - i. Collect information on core and non-core services, best practices, and areas of improvement.
    - ii. Develop a national staffing strategy for key facilities by using subject matter experts.
    - iii. Develop a measure for regional efficiency.
  - c. Global Project Management: Consistently adhere to agreed-upon practices and standards across leasing, small projects, and capital projects.
    - i. Replace and improve ePM, a web-based tool that creates a collaborative work environment for PBS-sponsored projects. This tool allows project teams to

- consolidate coordination of planning, design, procurement, and construction processes into a single, collaborative system.
- d. Improve PBS collaboration with FAS. Coordinate on procurement and customer needs.

Goal Leader	Daniel W. Mathews, Commissioner Public Buildings Service
Contributing Programs	<ul style="list-style-type: none"> <li>● Portfolio Management</li> <li>● Real Property Disposal</li> <li>● Construction and Acquisition</li> <li>● Building Operations</li> <li>● Repairs and Alterations</li> <li>● GSA Customer Experience</li> </ul>

### Strategic Objective 1.2 – FY 2019 Progress Update

With the implementation of the PBS Productivity Plan, GSA strives to improve the efficiency with which it delivers programs. Standardizing core processes, leveraging shared tools, and better aligning human capital resources to core mission needs ensures that the agency can deliver the highest quality services in the most efficient and effective ways, significantly lowering costs to the American taxpayer.

In support of lower energy costs and a sustainable environment, GSA continues to focus on reducing energy consumption in Federal buildings. Over the past 3 years, GSA achieved approximately a 5-percent decrease in BTUs per gross square foot, and an almost 30 percent decrease when compared to the FY 2003 baseline year. GSA will continue to undertake cost-effective retrofit and Energy Savings Performance Contract projects in support of this goal. PBS is undertaking a nationwide effort to examine the methods and tools used to procure building maintenance and custodial services, lowering operating costs without impacting service levels to GSA’s Federal tenants. GSA continues to meet the performance target for keeping capital projects on schedule and within budget.

Performance Goal 1.2.1 - Reduce total energy intensity	
<b>Benefit to the Public</b>	Responsible management of energy use in Federal workspaces lowers costs to the American people, provides greater availability of domestic energy resources for other purposes, and contributes to better air quality, energy independence, and mission assurance.
<b>Performance Indicator Definition</b>	<p><u>Energy intensity reduction (cumulative percent reduction in BTU per gross square foot, from baseline year of FY 2015):</u></p> <p>This measure assesses PBS' progress towards improving energy intensity in its facilities over time. Energy intensity (sometimes called energy usage index) is a common metric for describing energy efficiency in buildings, and it is measured in British thermal units of energy per gross square foot (BTU/GSF). Energy intensity reduction mandates and specific percentage targets are part of several laws and Executive orders from the past; however, the most recent Executive order (Executive Order 13693) to contain a specific energy intensity reduction target was rescinded and replaced by Order 13834. This Executive order does not contain a specific reduction target or energy usage goal.</p>

<b>Progress Update</b>	<p>Energy usage was volatile for the first few months of FY 2019 and increased by nearly 1 percent through February 2020. Weather conditions across most of the country were significantly colder in the first 5 months of FY 2019 as compared to the same period in FY 2018. As the inventory has become more efficient, the correlation between energy usage and weather conditions has grown stronger.</p> <p>However, by the end of the summer, PBS managed to reduce energy usage by over 1 percent from its high point earlier in the year. PBS considers this a major accomplishment even though the FY 2019 overall goal was not met.</p> <p>The strategy for FY 2020 is to:</p> <ul style="list-style-type: none"> <li>• Build on the successes of FY 2019;</li> <li>• Devote significant time to researching better methods for deriving energy targets; and</li> <li>• Analyze the inventory and its potential for further reduction.</li> </ul>
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<b>Energy intensity reduction (cumulative percent reduction from FY 2015 baseline)</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	1.70%	3.78%
2017	5.00%	6.41%
2018	7.50%	5.41%
2019	5.66%	5.06%
2020	5.31%	N/A
2021	-0.25% of FY 2020 Results	N/A
<b>Lead Office: Public Buildings Service</b>		

<b>Performance Goal 1.2.2 - Complete capital projects on schedule and on budget</b>	
<b>Benefit to the Public</b>	Delivering space when needed enables customer agencies to most effectively carry out their missions. GSA’s efficient delivery of new and renovated facilities reduces resource demands on customer agencies and translates into higher operational effectiveness and lower operational costs.
<b>Performance Indicator Definition</b>	<p><u>Percent of capital construction projects on schedule and on budget:</u> Reports the percentage of prospectus-level construction projects completed on schedule and budget, weighted by the contract value. Using an earned value technique, this measure assesses project performance on all prospectus-level projects.</p> <p>The project weighting criteria is based on total current contract value, which places more emphasis on large, important projects that are critical to the GSA real estate portfolio.</p>

<b>Progress Update</b>	<p>PBS finished FY 2019 with 77 projects valued at \$3.4 billion in construction. Of these, 35 projects valued at \$953 million reached substantial completion in FY 2019. The high level of performance can be attributed to project teams carefully keeping scope, schedule, and budget in alignment and closely managing risks on projects.</p> <p>The largest projects completed on schedule and budget in FY 2019 include:</p> <ul style="list-style-type: none"> <li>• Land Port of Entry, Laredo, TX (\$99 million);</li> <li>• Harry S. Truman Building modernization, Phase 1C, Washington, DC (\$86 million);</li> <li>• Herbert C. Hoover Building renovation, Phase 4, Washington, DC (\$83 million);</li> <li>• Robert A. Young seismic retrofit, St. Louis, MO (\$75 million);</li> <li>• Land Port of Entry, Columbus, TX (\$71 million);</li> <li>• St. Elizabeth’s West Campus Phase 2A Building 54, Washington, DC (\$49 million);</li> <li>• Belle Meade Northern Parcel remediation, Belle Meade, NJ (\$46 million);</li> <li>• Frank Hagel Federal Building Phase 1 seismic retrofit, Richmond, CA (\$28 million); and</li> <li>• Land Port of Entry, Phase 2, San Ysidro, CA (\$157 million).</li> </ul>
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<b>Percent of capital construction projects on schedule and on budget</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	90%	98%
2017	90%	99%
2018	90%	90%
2019	85%	99%
2020	90%	N/A
2021	90%	N/A
<b>Lead Office:</b> Public Buildings Service		

<b>Performance Goal 1.2.3 - Improve tenant satisfaction in Government owned and leased space.</b>	
<b>Benefit to the Public</b>	Tenant satisfaction is a good barometer for GSA to measure how well it is providing safe, reliable, productive, and sustainable workplace environments that support the business of the Federal Government at the best value to the taxpayer.

<p><b>Performance Indicator Definition</b></p>	<p><u>Tenant satisfaction with Government-owned and leased space – Facilities Management (FM) Index:</u>                  The FM Index comprises nine existing questions from the Tenant Satisfaction Survey related to the condition of the building and grounds, common areas, restrooms, and elevators. Each question relates to areas of the building that GSA’s facility managers directly influence or control.</p> <p>To calculate the FM Index score, all of the “4” and “5” responses for those nine questions are added up and divided by the total number of responses.</p>
<p><b>Progress Update</b></p>	<p>The overall result of 70 percent represents a 1 percent increase over the FY 2018 Facilities Management Index. The score was maintained or improved over FY 2018 in 10 of 11 GSA Regions. In FY 2020, PBS’s action planning strategy will continue to focus on targeting facilities for improvement based on scores from the individual questions.</p>

<b>Tenant satisfaction with Government-owned and -leased space                      Facilities Management (FM) Index</b>		
Fiscal Year	Target	Results
2016	Baseline	69%
2017	Baseline	70%
2018	69%	69%
2019	70%	70%
2020	71%	N/A
2021	71%	N/A
<p align="center"><b>Lead Office:</b> Public Buildings Service</p>		

<b>Performance Goal 1.2.4 - Provide building cleaning and maintenance at competitive costs</b>	
<p><b>Benefit to the Public</b></p>	<p>This goal ensures customer agencies are paying competitive market rates for building services. When costs are competitive, agencies can put more of their resources towards meeting mission requirements.</p>
<p><b>Performance Indicator Definition</b></p>	<p><u>Percent of cleaning and maintenance costs within market range:</u>                  GSA tracks the percentage of cleaning and maintenance costs against the market. 80 percent of Federal buildings are tracked in the measure. The Building Owners and Managers Association’s (BOMA) Experience Exchange Report data and RS Means city cost data are used to benchmark PBS against private sector operations for office and office-like buildings.</p>
<p><b>Progress Update</b></p>	<p>GSA tracks and compares PBS cleaning and maintenance costs against the market. The national target is 80 percent of Federal buildings tracked in the measure are within the market range.</p> <p>Although GSA did not meet the FY 2019 goal to keep 80 percent of measured buildings’ cleaning and maintenance costs within market range, 72 percent was achieved. The actual cost difference between GSA and Industry was \$0.11/RSF, down from \$0.19/RSF in FY 2018.</p>

Percent of cleaning and maintenance costs within market range		
Fiscal Year	Target	Results
2016	80%	80.3%
2017	80%	73.2%
2018	78%	73.6%
2019	80%	72%
2020	80%	N/A
2021	80%	N/A
Lead Office: Public Buildings Service		

**STRATEGIC GOAL 2**



**Establish GSA as the premier provider of efficient and effective acquisition solutions across the Federal Government.**

GSA is committed to delivering service, innovation, and value through efficient operations, market expertise, and proactive partnerships with customer agencies and private sector vendors. Generating economies of scale is the cornerstone of GSA’s acquisition solutions, enabling the agency to negotiate better prices. Every day, GSA helps customers make smart purchasing decisions to acquire the goods and services they need.

GSA is dedicated to improving the contract vehicles, services, and products provided to Federal agencies, military, and state and local entities. GSA makes access to the Government marketplace easier, faster, and less costly to small and socio-economic businesses. GSA is achieving this by designing and delivering solutions that meet current needs and anticipate future requirements.

**Strategic Objective 2.1: Design and deliver GSA products and services that yield measurable savings while aligning with customer mission objectives and changing market demand.**

Using the purchasing power of the Federal Government, GSA reduces Federal agencies’ operating costs, enabling them to focus on their core missions to serve the public at the best value. GSA is always looking for new ways to help these agencies make their purchases smarter and more efficient. This ability to achieve savings or avoid costs depends largely on standardizing requirements across Federal agencies that collectively leverage the Government’s purchasing power. Throughout GSA’s acquisition operations, the goal is to place customers at the center of operations, develop common requirements across the Government, and increase the adoption of solutions for agencies’ common needs. With these goals in mind, GSA has developed robust strategies to meet the current and future demands of its customers.

In order to fully maximize the purchasing power of the Federal Government, GSA will provide market intelligence and acquisition expertise to the Federal Marketplace. Efforts to improve the Federal Marketplace include optimizing the buying experience by enhancing FAS’s acquisition vehicles, focusing on human-centered processes and systems, and emphasizing workforce readiness. GSA is committed to bringing Government-wide contract spend into common categories to further capture economies of scale. This approach also creates economies of skill for Government as a whole when agencies can rely on GSA to deliver the right goods and services for their mission needs.

## Key Strategies

- A. Better understand and anticipate customer needs by developing a robust and effective customer management approach:
  - a. Grow and refine the approach to strategic account management by:
    - i. Strengthening client relationships by serving as a trusted advisor;
    - ii. Generating analytics and customer intelligence to inform decisions and provide customers with meaningful recommendations; and
    - iii. Leveraging relationships and market intelligence to manage and customize GSA offerings.
  - b. Mature the Voice of the Customer process, which ensures that GSA gathers customer feedback to improve the effectiveness of its solutions, service delivery, and customer interactions.
  - c. Enhance the customer experience through innovative customer experience mapping and usability testing of GSA systems and solutions.
- A. Improve market intelligence and optimize Federal buying power by leveraging commercial principles:
  - a. Mature and operationalize the internal use of business best practices, such as category management, to improve Government acquisition by pooling and sharing demand management, acquisition data, and supplier relationship-management knowledge. Expanding the use of data and business intelligence allows GSA to better understand, anticipate, and deliver customer requirements relative to specific markets and industries. This includes:
    - i. Leading a number of Government-wide categories and working with top purchasing agencies to understand their use of these products and services, enabling GSA to enhance the customer’s buying experience; and
    - ii. Developing purchasing strategies so that customers find the best value for items and services.
  - b. Increase agency adoption of assisted acquisition solutions for large or complex projects. The Assisted Acquisition Services program offers these value-added, customized acquisition project management and financial management services for large or complex IT and professional services solutions.
- B. Develop strategies for procurements to streamline methods of awarding and administering less complex, smaller-dollar assisted acquisitions.

Goal Leader	Julie Dunne, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> <li>● Customer and Stakeholder Engagement</li> <li>● Assisted Acquisition Services</li> <li>● Information Technology Category</li> <li>● General Supplies and Services</li> <li>● Travel, Transportation, and Logistics</li> <li>● Office of Enterprise Strategy Management</li> </ul>

### Strategic Objective 2.1 – FY 2019 Progress Update

Overall, FY 2019 customer loyalty scores increased by 0.1 point to 7.6 (out of 10), measured by the annual Customer Loyalty Survey (CLS). The Voice of the Customer application, initiated in FY 2018, has increased visibility and accountability of progress on action plans addressing customer and supplier feedback.

In FY 2019, GSA achieved over \$6.5 billion in customer savings through its acquisition solutions:

- (1) Travel, Transportation and Logistics Category,
- (2) Information Technology Category,
- (3) Assisted Acquisitions Services,
- (4) GSA SmartPay Refunds, and
- (5) Federal Strategic Sourcing Initiatives.

GSA will continue to expand the use of data and business intelligence capabilities to better understand, anticipate, and deliver customer requirements relative to specific markets and industries.

<b>Performance Goal 2.1.1 - Increase customer satisfaction</b>	
<p>Within its acquisition offerings, GSA knows that loyal customers see value in the agency’s offerings and are likely to recommend GSA’s goods and services to others. The model GSA uses to evaluate loyalty is built on decades of empirical research around factors that consistently influence loyalty intentions (e.g., likelihood to recommend) as well as behaviors (e.g., repurchase).</p>	
<b>Benefit to the Public</b>	<p>Assessing customer loyalty allows GSA to take action to improve program operations. The network of suppliers and vendors GSA leverages to provide customer agencies with goods and services is essential to service delivery. Through positive working relationships that are mutually beneficial for the supplier and customer, GSA is able to provide better service to customers, and ultimately to the public.</p>
<b>Performance Indicator Definition</b>	<p><u>Customer loyalty score:</u> Tracks customer loyalty and ensures GSA’s Federal Acquisition Service is effective at meeting customer requirements. GSA identifies customers and develops a questionnaire to ensure program offices have actionable recommendations for areas of improvement. The result represents the average score across three loyalty intention items for each respondent. Responses are rated on a 10-point scale where “1” equals “not at all likely” and “10” equals “very likely.”</p> <p>The three key questions are:</p> <ul style="list-style-type: none"> <li>• How likely are you to recommend [program office] to others?</li> <li>• How likely are you to continue to use [program office] in the future?</li> <li>• How likely are you to consider [program office] as your first choice for [product/service]?</li> </ul>
<b>Progress Update</b>	<p>Overall, FY 2019 Customer Loyalty scores increased by 0.1 point to 7.7 (out of 10), measured by the annual CLS. All 8 measures in the CLS showed improvement from FY 2017 to FY 2019, including key measures “Satisfaction” (up from 7.4 to 7.9) and “Loyalty Intentions” (up from 7.4 to 7.6). The Voice of the Customer application, initiated in FY 2018, has increased visibility and accountability of progress on action plans addressing customer and supplier feedback.</p>

Customer loyalty score (10-point scale)		
Fiscal Year	Target	Results
2016	7.2	7.5
2017	7.3	7.4
2018	7.4	7.5
2019	7.5	7.6
2020	7.6	N/A
2021	7.7	N/A
Lead Office: Federal Acquisition Service		

**Performance Goal 2.1.2 - Expand the use of GSA acquisition solutions across the Government**

Federal agencies operate in a constrained budget environment and seek to maximize every dollar. When agency customers utilize FAS solutions they are able to purchase the goods and services needed to execute their mission at reduced cost, enabling them to focus resources on mission-critical activities. GSA generates additional savings for agencies by expanding the use of strategic buying practices using market intelligence and Government-wide collaboration.

<b>Benefit to the Public</b>	Achieving this goal will result in greater savings, enabling customer agencies to meet mission-critical needs at a lower cost.
<b>Performance Indicator Definition:</b>	<p><u>Acquisition program savings:</u> Annual targets are developed by aggregating various program-specific targets across FAS, each with a specific methodology for calculating savings. The types of savings fall into one of three groups:</p> <ul style="list-style-type: none"> <li>• Savings realized by utilizing FAS procurement vehicles compared to commercial alternatives;</li> <li>• Savings realized through FAS offerings compared to other Government offerings; and</li> <li>• Savings returned to customers via bank refunds for using a FAS purchase, travel, or fleet card.</li> </ul>
<b>Progress Update</b>	In FY 2019, GSA achieved more than \$6.5 billion in customer savings through its acquisition solutions, surpassing the target of \$5.90 billion, due to significant growth realized most notably in the Travel, Transportation and Logistics Category, and in Assisted Acquisition Services. Increased volume across the board for GSA acquisition programs was the driving force for 15 of the 17 programs to exceed their individual savings targets. The City Pair Program contributed over 40 percent of the total savings with \$2.65 billion in FY 2019 savings.

Acquisition program savings (in billions)		
Fiscal Year	Target	Results
2016	\$5.19	\$6.02
2017	\$5.24	\$5.17
2018	\$5.22	\$5.86
2019	\$5.90	\$6.51
2020	\$6.60	N/A
2021	\$6.70	N/A
Lead Office: Federal Acquisition Service		

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**Strategic Objective 2.2: Make it easier to do business with the Government by simplifying processes and streamlining access for our customers and suppliers.**

Every day, the work that GSA does allows its customer agencies to better focus on their missions. Partnership on all levels is critical to the success of GSA. Strong partnerships with other agencies and suppliers are essential, supporting decisions that create value and savings for GSA's customers and the American public. Doing business with GSA must be an easy and reliable experience. GSA must continuously improve its processes and systems to make them as simple and streamlined as possible.

FY 2021 improvements under the Federal Marketplace Strategy focus on consolidating the Schedules program, improving the data underlying the product and service search capabilities, assessing the proof of concept on commercial buying, and expanding implementation of the FAS-wide Acquisition Life Cycle Management System.

### Key Strategies

- A. Provide a modern acquisition experience through innovative and user-friendly technology
  - a. Simplify the acquisition experience for the supplier and customer communities:
    - i. Improve data access and quality for GSA and its customer agencies, so that acquisition and program leaders can make better procurement decisions;
    - ii. Empower GSA governance systems to streamline investments for better results;
    - iii. Increase the use of cost-effective strategic delivery of commercially readily available items by improving electronic integration with supply chain partners; and
    - iv. Assess the feasibility and opportunities for adoption of e-commerce commercial platforms.
- B. Make it easier for customers to find and acquire products, services, and solutions that meet their mission needs:
  - a. Provide buyers with the right solutions and supply base to meet their mission needs.
  - b. Enhance the experience for buyers to acquire goods and services.
- C. Reduce barriers to doing business with the Government and improve access to opportunities for qualified suppliers:
  - a. Lower the financial burden required for suppliers to work with the Federal Government.
  - b. Increase opportunities for qualified suppliers to compete for Federal business.
- D. Consolidate the Multiple Award Schedules (MAS) from 24 schedules into one single schedule for products, services, and solutions. The single schedule will:

- a. Use consistent terms and conditions that make it easier for industry to offer the goods and services that agencies buy. This in turn will foster better pricing and innovation for agencies to leverage.
  - b. Make it easier for agencies to find the goods and services they need to support their mission.
- E. Promote Government-wide contracts.

Goal Leader	Julie Dunne, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> <li>● FAS Systems Management</li> <li>● GSA IT</li> <li>● MAS Program Management Office (PMO)</li> <li>● FAS Commissioner's Office</li> <li>● Policy and Compliance</li> <li>● Customer and Stakeholder Engagement</li> <li>● Office of Enterprise Strategy Management</li> </ul>

**Strategic Objective 2.2 – FY 2019 Progress Update**

The agency’s progress in making it easier to do business with the Government has been satisfactory, due to implementation of the Federal Marketplace Strategy (FMS). This FMS is designed to create a seamless, people-centric buying and selling experience. In support of FMS, GSA plans to consolidate the 24 schedules that comprise the MAS into a single schedule for products, services, and solutions by the end of FY 2020. A single schedule will provide consistent terms and conditions to simplify the procurement process for buyers (agencies) and sellers (industry). FMS initiatives also include the implementation of commercial e-commerce portals that will allow the Government to better track expenditures for open-market items outside of existing targets (estimated to be an addressable market of \$6 billion); and simplifying catalog management to make it easy for suppliers to integrate their catalogs with GSA systems and processes.

The supplier satisfaction score decreased marginally to 3.65 out of a possible 5 in FY 2019, compared to 3.69 in FY 2018. GSA continues to identify ways to streamline processes, modernize technologies, improve supplier relationships, and incorporate viable best practices based on Supplier Relationship Management Survey results. GSA will continue to work with industry to ensure a strong pool of qualified vendors.

<b>Performance Goal 2.2.1 - Increase supplier satisfaction</b>	
The network of suppliers that GSA leverages to provide products and services are critical to its success in meeting the day-to-day needs of customer agencies and providing complex, innovative, and customized solutions. Creating a mutually beneficial operating environment between the Government and the supplier community allows GSA to offer a diverse set of products and services to customer agencies at best value.	
<b>Benefit to the Public</b>	Strong supplier relationships make interactions between the Government and industry more efficient, transparent, and cost effective, creating lower-cost services that maximize taxpayer dollars. When Government and industry collaborate effectively, the highest-quality solutions can be delivered to meet customer agencies’ missions to the public.

<p><b>Performance Indicator Definition</b></p>	<p><u>Supplier satisfaction score:</u>                  The Supplier Relationship Management Survey is distributed annually to roughly 20,000 vendors with contracts covering a diverse portfolio of GSA contract vehicles. The sources for the vendors are e-Library, FPDS-NG, and GSA’s Salesforce database.</p> <p>Respondents are asked “Please consider all of your experiences interacting with [GSA program]. How satisfied are you?” Responses are rated on a 5-point scale where “1” equals “Very Dissatisfied” and “5” equals “Highly Satisfied.” The overall score represents the average of each portfolio’s average score.</p>
<p><b>Progress Update</b></p>	<p>The supplier satisfaction score remained relatively constant at 3.65 out of 5 in FY 2019, compared to 3.69 in FY 2018. This decrease was not statistically significant. GSA continues to identify ways to streamline processes, modernize technologies, improve supplier relationships, and incorporate viable best practices based on Supplier Relationship Management Survey results. GSA will continue to work with industry to ensure a strong pool of qualified vendors.</p> <p>The Voice of the Customer application, initiated in FY 2018, has proven to be a best practice, contributing to increased satisfaction scores with customers through increased visibility and accountability of progress on action plans addressing customer feedback. A similar process is being implemented in FY 2020 for supplier feedback gathered from the Supplier Relationship Management Survey.</p>

Supplier satisfaction score (5-point scale)*		
Fiscal Year	Target	Results
2016	N/A	3.70
2017	N/A	3.61
2018	3.80	3.69
2019	3.73	3.65
2020	3.70	N/A
2021	3.75	N/A
<b>Lead Office:</b> Federal Acquisition Service		

*\*Metric methodology was revised in FY 2018. FY 2016 - FY 2019 results reflect the new methodology. FY 2019 target was based on the new methodology. The FY 2018 target was not recalculated and is based on the discontinued methodology.*

**Performance Goal 2.2.2 - Consolidate Multiple Award Schedules**  
 ● FY 2020 - 2021 Agency Priority Goal

As part of the GSA’s Federal Marketplace Strategy to make the Government buying and selling experience easy, efficient and modern, GSA will consolidate the 24 schedules into 1 single schedule for products, services, and solutions by the end of FY 2020 for more than 12,000 vendors. The single schedule will have consistent terms and conditions that provide the opportunity for industry to come to market the way the agencies buy.

<b>Benefit to the Public</b>	Using a single schedule with consistent terms makes it easier for suppliers to do business with the Government and makes it easier for agencies (buyers) to navigate the MAS program to find and acquire goods and services.
<b>Performance Indicator Definitions</b>	<p><u>Percent of vendors transitioned to new consolidated Multiple Award Schedule</u> ● FY 2020 - 2021 Agency Priority Goal:</p> <p>Measured by the percentage of existing vendors that accept the mass modification on the new schedule.</p> <p><u>Multiple Award Schedule Sales</u> ● FY 2020 - 2021 Agency Priority Goal: Measured by increase in business volume.</p>
<b>Progress Update</b>	GSA’s 24 Multiple Award Schedules were consolidated into a single award vehicle, completing Phase I of efforts to modernize and simplify the way GSA provides solutions to customers. The single MAS vehicle is organized in a more logical format with consistent and streamlined terms and conditions and a more logical category structure similar to the Government-wide category management structure.

<b>Percent of vendors transitioned to new consolidated Multiple Award Schedule</b> ● FY 2020 - 2021 Agency Priority Goal		
Fiscal Year	Target	Results
2019	N/A	N/A
2020	50%	TBD
2021	100%	TBD
<b>Lead Office:</b> Federal Acquisition Service		

<b>Multiple Award Schedule Sales (in billions)</b> ● FY 2020 - 2021 Agency Priority Goal		
Fiscal Year	Target	Results
2019	N/A	N/A
2020	\$32.3	TBD
2021	\$32.5	TBD
<b>Lead Office:</b> Federal Acquisition Service		

**Strategic Objective 2.3: Enhance customer agency access to qualified small and socio-economic businesses.**

GSA will collaborate with the acquisition workforce and GSA leadership on Federal acquisition requirements and best practices to promote opportunities for small and socio-economic small businesses. This encompasses all small businesses, including small disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses, and businesses located in Historically Underutilized Business Zones.

GSA ensures that small business and socio-economic small business participation is maximized in Federal procurement, which encourages the achievement of GSA’s prime and subcontracting goals. GSA’s Office

of Small Business Utilization (OSBU) actively participates as a member of the acquisition team during the acquisition planning phase.

GSA uses data analysis and strategic processes to actively influence acquisition strategies, assisting internal customers, as well as customer agencies, in meeting small business goals.

**Key Strategies**

- A. Project, monitor, and actively influence prime small and socio-economic small business goals.
- B. Monitor and actively influence subcontracting small and socio-economic small business goals.
- C. Expand access to small and socio-economic buying options across GSA contracts:
  - a. Participate as a member of the acquisition team during the Forecast of Opportunities development and acquisition planning.
  - b. Collaborate with the acquisition workforce to negotiate higher subcontracting goals utilizing the Certified Subcontracting Matrix.
  - c. Introduce partnerships between other than small business prime contractors and small and socio-economic small business subcontractors.
  - d. Utilize data analytics and strategic processes to improve the small business experience with GSA:
    - i. Provide free data advisory and training services;
    - ii. Maintain and enhance tools to access opportunities;
    - iii. Review rules and regulations that impact small business;
    - iv. Review acquisition strategies to maximize small business participation;
    - v. Review subcontracting plans to maximize small business participation; and
    - vi. Survey internal and external customers to improve customer satisfaction.
- D. Educate small and socio-economic small businesses on the opportunities available through the MAS program:
  - a. Find innovative ways to educate small and socio-economic small business on the opportunities in the Federal Marketplace available through GSA;
  - b. Sponsor and deliver small business events; and
  - c. Streamline outreach programs to promote efficiency and effectiveness.

Goal Leaders	Brian F. Barnes, (Acting) Associate Administrator Office of Small Business Utilization  Julie Dunne, Commissioner Federal Acquisition Service  Daniel W. Mathews, Commissioner Public Buildings Service
Contributing Programs	<ul style="list-style-type: none"> <li>● Office of Small Business Utilization</li> <li>● Federal Acquisition Service                         <ul style="list-style-type: none"> <li>○ Multiple Award Schedule PMO</li> <li>○ Customer and Stakeholder Engagement</li> </ul> </li> <li>● Public Buildings Service</li> </ul>

**Strategic Objective 2.3 – FY 2019 Progress Update**

GSA is on track to meet its overall performance goals for this objective. GSA’s MAS customers continue to utilize small businesses at a rate substantially higher than the 33 percent target. GSA will meet its overall goal for GSA contract dollars awarded to small businesses and socio-economic small businesses through prime contracting. GSA increased its level of commitment to meeting the Historically

Underutilized Business Zones (HUBZone) and Women-Owned Small Business (WOSB) goals. Through senior leadership to front line communications, data analysis and tracking, in-depth review of acquisition strategies, and training, GSA has been successful in meeting the HUBZone and WOSB goals.

<p><b>Performance Goal 2.3.1 - Create more opportunities for small and socio-economic businesses</b></p> <p>By increasing access to small and socio-economic businesses for GSA contract requirements and GSA-managed Government-wide acquisition vehicles, GSA spurs job growth and drives the economy forward.</p>	
<p><b>Benefit to the Public</b></p>	<p>Small businesses power the economy and contracting with them is a win-win for the Government and the small business community. The Government receives great service at a great value, while small businesses are provided opportunities to grow and create jobs. GSA offers opportunities to small businesses and socio-economic small businesses across the country through contract vehicles, contracts GSA awards for other agencies, and subcontracting opportunities.</p>
<p><b>Performance Indicator Definition</b></p>	<p>(a) <u>Percent of GSA contract dollars awarded to small business through prime contracting:</u> Tracks the percent of dollars awarded from GSA contracts to small business through prime contracting. GSA measures the overall percentage of eligible procurement dollars awarded to small business for prime contracting.</p> <p>(b) <u>Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone):</u> Tracks the percent of dollars awarded from GSA prime contracting by measuring the overall percentage of eligible procurement dollars awarded to each socio-economic category:</p> <ul style="list-style-type: none"> <li>● Small Disadvantaged Business (SDB),</li> <li>● Women-Owned Small Business (WOSB),</li> <li>● Service-Disabled Veteran Owned Small Business (SDVOSB), and</li> <li>● Historically Underutilized Business Zone (HUBZone) contracting, respectively.</li> </ul> <p>(c) <u>Percent of GSA contract dollars awarded to small business through subcontracting:</u> Tracks the percent of GSA prime contract dollars awarded to small business through subcontracting. Subcontracting results also exclude mandatory sources, contracts not governed by the Federal Acquisition Regulation, and product service codes for leasing.</p> <p>(d) <u>Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone):</u> Tracks the percent of GSA prime contract dollars awarded through subcontracting by measuring the overall percentage of eligible procurement dollars awarded to each socio-economic category:</p> <ul style="list-style-type: none"> <li>● SDB,</li> <li>● WOSB,</li> <li>● SDVOSB, and</li> <li>● HUBZone subcontracting, respectively.</li> </ul> <p>(e) <u>Agency peer review score of Small Business Act compliance (U.S. Small Business Administration (SBA) scorecard composite score):</u> Represents the achieved score for compliance with section 15(k) of the Small</p>

	<p>Business Act. The scoring is weighted as 20 percent of the overall agency scorecard score, and is based on an annual peer review conducted across agencies in accordance with SBA’s standards. Twenty percent on the peer review represents a perfect score on SBA’s Small Business Scorecard. The result represents GSA’s achievement in relation to the 20 percent target. Agencies can achieve scores above the target level if they show extraordinary performance.</p> <p>(f) <u>Small business diversification across industries (SBA scorecard composite score):</u> Measures the diversification of small business contractors in each of the 5 small business categories within GSA’s top 100 North American Industry Classification System (NAICS) codes. Scoring is based on SBA’s annual methodology, encompassing 10 percent of the overall agency score. The result represents GSA’s achievement in relation to the 10 percent goal. Agencies can achieve scores above the target level if they show extraordinary performance.</p> <p>(g) <u>Percent of Multiple Award Schedule (MAS) business volume from small businesses:</u> Reports the percentage of MAS business volume attributed to small businesses each year by calculating the GSA Multiple Award Schedule total business volume in dollars attributed to small businesses and dividing by the total business volume.</p>
<p><b>Progress Update</b></p>	<p>Final FY 2019 results for the small business performance indicators will be reported by SBA in Spring 2020. Based on preliminary results, GSA will meet the performance target for prime contracting dollars awarded to small business and socio-economic small business.</p> <p>The MAS program is one of many methods GSA provides small and disadvantaged businesses access to the Federal Marketplace. In FY 2019, 38.8 percent of the business conducted through MAS was awarded to small and disadvantaged businesses, exceeding the target of 33 percent.</p>

<b>(a) Percent of GSA contract dollars awarded to small business through prime contracting</b>		
Fiscal Year	Target*	Results
2016	36.5%	39.23%
2017	36.5%	42.68%
2018	35.0%	38.82%
2019	30.0%	43.03%**
2020	29.0%	N/A
2021	TBD	N/A
<b>Lead Office: Office of Small Business Utilization</b>		

\* Targets reflect goals established by SBA for fiscal year performance.

\*\*Preliminary results, final results will be provided by SBA in spring 2020

<b>(b) Percent of GSA contract dollars awarded through prime contracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone)</b>		
<b>Fiscal Year</b>	<b>Targets*</b>	<b>Results</b>
2016		SDB 21.64% WOSB 9.31% SDVOSB 5.32% HUBZone 3.89%
2017		SDB 22.60% WOSB 8.85% SDVOSB 6.45% HUBZone 4.95%
2018	SDB 5% WOSB 5% SDVOSB 3% HUBZone 3%	SDB 19.94% WOSB 8.55% SDVOSB 5.63% HUBZone 3.98%
2019		SDB 19.93%** WOSB 10.39%** SDVOSB 4.98%** HUBZone 4.05%**
2020		TBD
2021		TBD
<b>Lead Office: Office of Small Business Utilization</b>		

\* Targets reflect statutory requirements for fiscal year performance.

\*\*Preliminary results, final results will be provided by SBA in spring 2020

<b>(c) Percent of GSA contract dollars awarded to small business through subcontracting</b>		
<b>Fiscal Year</b>	<b>Targets*</b>	<b>Results</b>
2016	29.0%	26.3%
2017	29.0%	42.4%
2018	29.0%	24.1%
2019	25.5%	TBD**
2020	24.0%	N/A
2021	TBD	N/A
<b>Lead Office: Office of Small Business Utilization</b>		

\* Targets reflect goals established by SBA for fiscal year performance.

\*\* Results to be provided by SBA in 2020.

<b>(d) Percent of GSA contract dollars awarded through subcontracting to each socio-economic small business category (SDB / WOSB / SDVOSB / HUBZone)</b>		
Fiscal Year	Targets*	Results
2016		SDB 7.60% WOSB 5.90% SDVOSB 0.70% HUBZone 0.40%
2017	SDB 5% WOSB 5%	SDB 5.30% WOSB 6.20% SDVOSB 1.90% HUBZone 1.30%
2018	SDVOSB 3% HUBZone 3%	SDB 5.50% WOSB 4.40% SDVOSB 1.62% HUBZone 0.94%
2019		TBD**
2020		TBD
2021		TBD
<b>Lead Office: Office of Small Business Utilization</b>		

\* Targets reflect statutory requirements for fiscal year performance.

\*\* Results to be provided by SBA in Spring 2020.

<b>(e) Agency peer review score of Small Business Act compliance (SBA scorecard composite score)</b>		
Fiscal Year	Target	Results
2017	20%	19.87%
2018	20%	20.5%
2019	20%	TBD**
2020	20%	TBD
2021	TBD*	TBD
<b>Lead Office: Office of Small Business Utilization</b>		

\* Targets are set by SBA.

\*\* Results to be provided by SBA in Spring 2020.

<b>(f) Small business diversification across industries (SBA scorecard composite score)</b>		
Fiscal Year	Target	Results
2017	10%	10.6%
2018	10%	11.8%
2019	10%	TBD**
2020	10%	TBD
2021	TBD*	TBD
<b>Lead Office: Office of Small Business Utilization</b>		

\* Targets are set by SBA.

\*\* Results to be provided by SBA in Spring 2020.

<b>(g) Percent of Multiple Award Schedule (MAS) business volume from small businesses</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	33.0%	37.4%
2017	33.0%	39.7%
2018	33.0%	38.4%
2019	33.0%	38.8%
2020	33.0%	TBD
2021	33.0%	TBD
<b>Lead Office:</b> Federal Acquisition Service		

### STRATEGIC GOAL 3



#### Improve the way Federal agencies buy, build, and use technology.

Technology is critical to how every agency accomplishes its mission and serves the public. It is at the core of running mission-support operations, safeguarding critical information, and analyzing program data for agency decision making. However, the Federal Government continues to struggle with legacy IT systems, IT modernization hurdles, and procurement challenges, as well as keeping pace with the public's expectations for digital services. The Administration has seen these weaknesses as growth opportunities by establishing multiple Cross Agency Priority (CAP) goals focused on IT modernization, as outlined in the *President's Management Agenda: Modernizing Government for the 21st Century* (PMA).

The challenge of supporting, managing, and securing legacy systems significantly hinders the ability of Federal agencies to meet current and evolving mission requirements. GSA is supporting the PMA by leading modernization initiatives across the Government that provide agencies with modern IT solutions and advisory services that can transform business operations, reduce costs, improve agility, and increase security. An overarching goal of these initiatives is to shift more Federal IT spending from operations and maintenance of legacy systems to investment in modern platforms.

The Federal IT procurement process includes requirements development and acquisition practices that can be burdensome and time consuming. GSA is helping agencies adopt new approaches for buying commercial off-the-shelf and as-a-service solutions. GSA is leading the development of modular contracting approaches to enable agile and efficient development of complex new requirements. GSA's goal is to assist agencies through the entire life cycle of procurement and system development.

Keeping up with the public's expectations for high-quality digital services has been challenging for the Government. The technology challenges facing Federal agencies and the direct effect on the public are well known by leaders across Government and the private sector, leading to a heightened focus area for improvement by the Administration. GSA is supporting the PMA goal to improve the customer experience by providing Federal agencies with technologies and professional services that make customer interactions with public services simple, fast, and secure.

In FY 2017, the Administration created the Office of American Innovation and the American Technology Council to focus attention and resources on this challenge. Today and in the future, GSA will be an essential partner with the Administration to deliver innovative solutions through IT Centers of Excellence (CoEs), administration of the Technology Modernization Fund (TMF), IT Category products

and services, and Technology Business Management (TBM) program management services. GSA's mix of talent and expertise in acquisition, technology, and service delivery — combined with the agency's Government-wide scope and scale — makes us an agent of transformation in how Federal agencies buy, build, and use technology.

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### **Strategic Objective 3.1: Lead Government-wide technology modernization initiatives.**

The *Report to the President on Federal IT Modernization (2017)* and the PMA tasks agencies with achieving an array of critical goals involving enhanced IT security, greater use of cloud-based services, and the overall consolidation and modernization of IT networks. GSA is well positioned to help agencies meet these goals. GSA offers the full spectrum of technology assistance, including experts who assess system design, apply user-centered research and design techniques common in the private sector, and ensure fit with agency needs.

GSA also offers platforms, services, and vehicles to assist agencies in acquiring and utilizing modern IT tools and practices. These include supporting agency transitions to cloud-based services; authentication and authorization services that seamlessly integrate with an agency's public-facing systems; IT infrastructure modernization; cost-efficient and well-designed tools to communicate digitally with the public; and reducing reliance on legacy IT through administration of the TMF. These partnerships with industry and customer agencies foster trust and confidence in the goal of delivering modern and essential Government services.

#### **Key Strategies**

- A. Enable the provision of mature solutions to migrate agency systems to the cloud:
  - a. Work across multiple programs to help agencies move to the cloud in the least disruptive way. This includes:
    - i. Issuing authorizations for cloud systems that are secure and continuously monitored;
    - ii. Making cloud systems available and easy to purchase; and
    - iii. Offering GSA technology talent to plan and implement cloud migrations that are efficient and cost-effective.
- B. Improve public access to Federal Government services through secure accounts and user-friendly tools:
  - a. Offer the public secure and private online access to participating Government programs, with the goal of making Federal benefits, services, and applications easier to access and more secure;
  - b. Increase the cybersecurity of Federal IT systems hosting the public's personally identifiable information; and
  - c. Improve the security position of the Government by decreasing insider threats.
- C. Help agency partners modernize IT infrastructure and improve digital interactions:
  - a. Ensure highly skilled technologists are available to help agencies think through complex business problems and develop appropriate technical designs;
  - b. Assist with deploying technology solutions through CoEs by leveraging private sector innovation and existing Government services to increase cloud adoption, consolidate data centers, optimize call centers, drive performance improvement, and improve customer experience; and
  - c. Monitor customer satisfaction with innovation, technology consulting engagements, and acquisitions through 18F, the Presidential Innovation Fellows, Schedule 70 contracts, Government-wide Acquisition Contracts (GWAC), and the Enterprise Infrastructure Solutions (EIS) program.

- D. Increase the rate of IT modernization through administration of the TMF:
  - a. Provide technical assistance to the Technology Modernization Board to optimize project funding decisions; and
  - b. Ensure the operational health of the TMF by assessing project performance and administering financing operations.

Goal Leader	Julie Dunne, Commissioner Federal Acquisition Service  Allison Brigati, Deputy Administrator General Services Administration
Contributing Programs	<ul style="list-style-type: none"> <li>● Technology Transformation Services (TTS)</li> <li>● Information Technology Category</li> <li>● TMF Program Management Office (PMO)</li> </ul>

### Strategic Objective 3.1 – FY 2019 Progress Update

GSA made noteworthy progress in leading Government-wide technology modernization initiatives. The FedRAMP certification program is one of GSA’s critical technology offerings. FedRAMP-authorized vendors offer cloud services that allow Federal agencies to securely and quickly meet their mission needs. GSA exceeded its cumulative performance goal by authorizing 159 vendors for FedRAMP in FY 2019.

GSA is spearheading other key initiatives including EIS, CoEs, and cloud.gov. EIS is the \$50 billion, 15-year, Best-in-Class acquisition vehicle that serves as a one-stop shop for infrastructure modernization for telecommunications and IT. CoEs were established with five partner agencies to accelerate IT modernization across Government, improve the public experience, and increase operational efficiencies. To accomplish these objectives, the IT CoE centralizes top Government technology talent, leverages private-sector best practices, and operates with a teaming mindset to collaborate across Government departments and agencies. Based on a phased approach, the goal is to build capability and then allow agencies to manage the sustainment of the effort. Cloud.gov provides agencies with rapid deployment and Authority to Operate (ATO) assessment for modern web applications.

GSA is also developing an emerging technology strategy, which seeks to position the agency as a leader in enabling other agencies to more readily learn about and access emerging technologies. As part of this strategy, Information Technology Category (ITC) is extracting leading edge technology (LET) data from proposals submitted during the solicitation period. Additionally, ITC is reviewing utilization of Other Transactional Authority (OTA) across agencies to identify opportunities within this growing sub-market.

Performance Goal 3.1.1 - Provide agencies with cloud authorizations to modernize IT portfolios	
<b>Benefit to the Public</b>	Modernized IT portfolios across the Government maximize taxpayer dollars by facilitating service delivery to the public that is more robust, secure, user friendly, and less burdensome to manage. When IT portfolios are modernized, taxpayer dollars are maximized as modernization becomes the priority over maintenance of costly legacy alternatives with limited capabilities.

<p><b>Performance Indicator Definition</b></p>	<p><u>Number of customer agency systems with FedRAMP authorizations (cumulative)</u></p> <p>Measures the efficiency and effectiveness of the FedRAMP program to balance security and speed of operationalizing cloud solutions for agency use. The indicator captures the cumulative volume of authorizations that are processed through the FedRAMP program.</p>
<p><b>Progress Update</b></p>	<p>FedRAMP ended FY 2019 with 159 cloud service offerings (CSOs) with vendor authorizations surpassing the target of 145. FedRAMP has active interest from other sectors (State and Local governments, energy, and banking) to leverage FedRAMP standards and authorizations to increase the value proposition for vendors participating in the program. Based on the FY 2019 results, outyear targets were revised upwards.</p>

<p><b>Number of customer agency systems with FedRAMP authorizations (cumulative)</b></p>		
<p><b>Fiscal Year</b></p>	<p><b>Target</b></p>	<p><b>Results</b></p>
<p>2016</p>	<p>N/A</p>	<p>72</p>
<p>2017</p>	<p>N/A</p>	<p>88</p>
<p>2018</p>	<p>110</p>	<p>121</p>
<p>2019</p>	<p>145</p>	<p>159</p>
<p>2020</p>	<p>183</p>	<p>N/A</p>
<p>2021</p>	<p>210</p>	<p>N/A</p>
<p><b>Lead Office:</b> Federal Acquisition Service</p>		

<p><b>Performance Goal 3.1.2 - Expand agencies' use of GSA technology solutions</b></p>	
<p><b>Benefit to the Public</b></p>	<p>The proposed modernization metric identifies the degree to which ITC vehicles are meeting agency mission needs for best value contracts to support major IT modernization initiatives, and is reflective of GSA's role in improving the way Federal agencies buy, build, and use technology.</p>
<p><b>Performance Indicator Definition</b></p>	<p><u>Percent of Major IT Project spend with GSA involvement:</u></p> <p>Use of GSA IT Category contract vehicles to support modernization efforts when compared to total dollars used to support modernization. Major IT Spend as identified in the ITdashboard.gov is being used as a proxy for IT Modernization. "GSA Major IT Spend" includes all spend associated with a major IT project when a GSA contract was used for any portion of that contract.</p>
<p><b>Progress Update</b></p>	<p>Total Major IT spend increased Government-wide over the last several years and the percent of spend where GSA is involved in those projects has also increased. GSA aims to continue this trend through continued enhancement and utilization of GSA IT Category acquisition solutions.</p>

Percent of Major IT Project spend with GSA involvement		
Fiscal Year	Target	Results
2017	N/A	TBD
2018	N/A	22%
2019	N/A	23%
2020	24%	N/A
2021	25%	N/A
Lead Office: Federal Acquisition Service		

### **Strategic Objective 3.2: Drive more efficient and innovative Government procurement of technology services.**

The United States is a global leader in software and technology. Government must harness this national prowess in technology to not only drive economic growth, but to also improve internal business practices and better serve the public. The acquisition process is a key success factor in Government technology practices.

The Government Accountability Office (GAO) and industry leaders have repeatedly recommended that Government “buy more and develop less” to improve technology outcomes. This requires Government to expand the training and use of IT acquisition cadres as outlined in the Federal Information Technology Acquisition Reform Act and remove barriers to agile acquisition of new technologies. GSA is committed to developing and sharing the talent, best practices, and policy improvements needed to bring about these changes.

Multiple components of GSA play a role in driving this strategic objective. GSA’s staff is identifying and incorporating best practices in technology acquisition and offering hands-on assistance to agencies at every stage of the process, including research and scoping, user research and prototype development, solicitation drafting and technical evaluation, post-award support, and technical assistance during implementation. The skills and knowledge developed in the organization will be intentionally shared and disseminated across the Federal workforce to improve overall management of IT acquisition and operations.

#### **Key Strategies**

- A. Provide agencies with the ability to seamlessly acquire and manage compliant software, systems, and infrastructure at best value:
  - a. Make buying and managing commercial off-the-shelf software-as-a-service easier for agencies by improving existing sales channels such as Schedule 70 multiple award contracts;
  - b. Further develop and improve Schedule 70 multiple award contracts to provide Federal, State, and local customer agencies the tools and expertise needed to shorten procurement cycles, ensure compliance, and obtain the best value for innovative technology products, services, and solutions, including buying and managing commercial off-the-shelf software-as-a service; and
  - c. Efficiently and effectively transition agency telecommunications and IT infrastructure to the EIS contract. Using the EIS contract creates a simplified process for agencies to

acquire integrated and streamlined solutions while taking advantage of cost reductions through aggregated Government-wide demand.

- B. Assist agency customers in successfully executing a modular contracting approach to enable agile and efficient development of new complex requirements:
  - a. Use GSA’s leadership in technology and acquisition to work with agencies to introduce agile development methods into technology procurements, build the necessary skills to solicit and manage technology projects with agile suppliers, and, if needed, guide agency leads through the duration of the project; and
  - b. Continue to procure high-quality, lower-risk products at best value.

Goal Leader	Julie Dunne, Commissioner Federal Acquisition Service
Contributing Programs	<ul style="list-style-type: none"> <li>● ITC</li> <li>● TTS</li> <li>● Assisted Acquisition Services (AAS)</li> </ul>

### Strategic Objective 3.2 – FY 2019 Progress Update

GSA made significant progress driving efficient and innovative Government procurement for technology services in FY 2019, realizing \$5.79 billion in assisted technology acquisitions. This was short of the target as even though overall demand for assisted acquisitions increased 30% over FY 2018, a significant proportion of spending shifted from the IT category to professional services.

GSA continues to work with agencies to transition their telecommunications and information technology infrastructure to the new Enterprise Infrastructure Solutions (EIS) contract. EIS allows participating agencies to meet IT Modernization objectives through services and solutions such as carrier Ethernet, Voice over Internet Protocol (VoIP), unified communications, cloud services and software-defined networking, and Internet Protocol version 6 (IPv6). Additionally, GSA launched the Cloud Information Center to support expanding agency use of cloud solutions and to provide agencies with acquisition guidance, templates, and policy documents to simplify procurement of cloud products and services.

Through FY 2019:

- Five EIS contractors received ATO and agencies now have the ability to provide fair opportunities to be considered for award and award task orders.
- 11 of the top 20 agencies signed a memorandum of understanding (MOU), committing to award their task orders by September 30, 2019.
- 79 agency solicitations passed scope review, one is currently under scope review, 32 have been released to industry, and 9 task orders have been awarded.

Significant transition efforts are targeting the following milestones:

- March 31, 2020: GSA limits use of extended contracts for task orders not awarded.
- March 31, 2022: 90 percent of agencies’ telecom inventory must be off expiring contracts.
- May 31, 2023: Current contracts expire.

<p><b>Performance Goal 3.2.1 - Improve agency technology procurement capabilities through acquisition consulting</b></p> <p>GSA provides value to agencies through assisted acquisition solutions that address the full life cycle of complex IT build and delivery. This includes acquisition consulting services to agencies to augment their support staff and obtain high-quality procurement and vendor management. This goal measures GSA’s ability to be a go-to partner for complex technology procurements across the Government.</p>	
<p><b>Benefit to the Public</b></p>	<p>GSA works with agencies to ensure IT systems have the best possible system design and user-centered development techniques. GSA collaborates with agency IT staff, business programs, and acquisition shops to ensure exceptional financial, contracting, and legal counsel for its acquisitions. Taking these steps reduces risk and provides best value solutions to agency customers and the taxpayers.</p> <p>The GSA Centers of Excellence (CoE) were established to accelerate IT modernization across Government to improve the public experience and increase operational efficiency. To accomplish these objectives, the CoEs centralize top Government tech talent, leverage private-sector best practices, and operate with a teaming mindset to collaborate across Government departments and agencies.</p>
<p><b>Performance Indicator Definition</b></p>	<p>(a) <u>Volume of assisted technology acquisitions (dollar value) (discontinued in FY 2020)</u>: Annual dollar volume of assisted acquisitions for the Assisted Acquisition Services program and TTS/Assisted Technology Acquisitions program. Dollar volume is the ceiling amount for new awards.</p> <p>(b) <u>Volume of assisted technology acquisitions (number of acquisitions) (discontinued in FY 2020)</u>: Annual number of assisted acquisitions for the Assisted Acquisition Service program and TTS/Assisted Technology Acquisitions program.</p> <p>(c) <u>Centers of Excellence (number of Interagency Agreements (IAAs) signed) (cumulative)</u>: Cumulative number of agencies who have engaged GSA to stand up at least one CoE.</p> <p>(d) <u>Centers of Excellence (cumulative)</u>: Cumulative number of individual CoEs stood up across the Government.</p>
<p><b>Progress Update</b></p>	<p>The CoE program accelerates the modernization of IT applications and infrastructure across the Federal Government. In FY 2019, TTS expanded the CoE program from two agencies to five. The newest CoE partner is the U.S. Department of Defense’s (DoD) Joint Artificial Intelligence Center, which will leverage GSA’s CoE expertise to strategically implement artificial intelligence within DoD.</p>

<b>(a) Volume of assisted technology acquisitions (in billions)</b> <i>(discontinued in FY 2020)</i>		
Fiscal Year	Target	Results
2016	N/A	\$1.54
2017	N/A	\$3.68
2018	\$4.29	\$7.47
2019	\$7.61	\$5.79
2020	N/A	N/A
<b>Lead Office:</b> Federal Acquisition Service		

<b>(b) Volume of assisted technology acquisitions (number of acquisitions)</b> <i>(discontinued in FY 2020)</i>		
Fiscal Year	Target	Results
2016	N/A	333
2017	N/A	422
2018	503	354
2019	364	269
<b>Lead Office:</b> Federal Acquisition Service		

<b>(c) Centers of Excellence (number of IAAs signed, cumulative)</b>		
Fiscal Year	Target	Results
2018	N/A	2
2019	N/A	5
2020	7	N/A
2021	10	N/A
<b>Lead Office:</b> Federal Acquisition Service		

<b>(d) Centers of Excellence (cumulative)</b>		
Fiscal Year	Target	Results
2018	N/A	5
2019	N/A	14
2020	19	N/A
2021	26	N/A
<b>Lead Office:</b> Federal Acquisition Service		

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**Strategic Objective 3.3: Lead implementation of technical standards, policies, and strategies.**

Modernizing Government IT will require the Federal Government to rethink how it builds and implements technical standards, policies, and strategies. Federal agencies, the private sector, and other

stakeholders need to be actively involved throughout the entire policy development life cycle, to ensure the best outcomes.

GSA’s core principles:

- *Be a trusted Government partner* — Align GSA’s mission with that of the agency’s Government clients, to continuously improve the effectiveness of Federal IT;
- *Craft long-term solutions* — Foster a culture and history of finding smart IT solutions for complex and challenging cross-agency issues;
- *Leverage Federal scale* — Maximize the purchasing and processing power of the Federal Government to enable faster, cost-effective adoption of new technologies; and
- *Champion the CIO* — Work with agency CIOs to understand, support, and address their most challenging issues.

GSA supports CIOs, IT procurement personnel, and other decision makers with services, expertise, and solutions to address a broad spectrum of Federal IT challenges. GSA also serves as the hub for Government-wide communities of practice, supporting cross-agency collaboration to solve the Government’s most pressing IT challenges. These strategies improve the Federal IT ecosystem, create efficiencies, and reduce burden across Government.

**Key Strategies**

- A. Assist agencies in understanding and optimizing the value of IT investments, and enable value-driven conversations among agency IT, financial, and business leaders.
- B. Support agencies’ implementation of strong network authentication for employees and contractors to ensure the right individual can access the right resource at the right time for the right reason.
- C. Support agencies’ implementations of cost-effective and efficient IT infrastructure solutions by providing guidance on technology advancements, innovation, cybersecurity, acquisition, and best practices, including data center optimization and cloud computing.
- D. Serve as the Federal Government’s principal coordinator for IT accessibility to help Federal agencies adopt universal design principles, and make IT products and services accessible to all.
- E. Serve as the data center Shared Services Managing Partner, the Managing Partner of the Federal Government’s Data Center Line of Business (LoB), as well as the Data Center and Cloud Optimization Initiative Program Management Office (DCCOI PMO).
- F. Support the Government’s web presence with trusted internet transactions, and monitor and report on policy compliance and best practices for Federal websites and digital services.

Goal Leader	Jessica Salmoiraghi, Associate Administrator Office of Government-wide Policy
Contributing Program	Office of Information Integrity and Access

**Strategic Objective 3.3 – FY 2019 Progress Update**

GSA met and exceeded both performance goals under this objective by providing agencies with information, guidance, and tools that facilitate successful implementation of Federal policies on IT optimization. Agencies continue to identify data centers to close and means to modernize IT infrastructure with technical assistance from GSA’s DCCOI PMO. Success in this area was further enhanced with modification of Department of Homeland Security (DHS) Continuous Diagnostics, Mitigation, and Dynamic and Evolving Federal Enterprise Network Defense (DEFEND) services to include advanced Identity, Credential, and Access Management (ICAM) capabilities for agencies.

GSA adjusted the performance metrics of Strategic Objective 3.3 by closing out FY 2019 objectives, and moving into FY 2020 and beyond to align with evolved guidance in OMB Directive M-19-19 (*Update to the Data Center Optimization Initiative (DCOI)*) and M-19-17 (*Enabling Mission Delivery through Improved Identity, Credential, and Access Management*), and specific agency mission, identity, and assurance requirements, as they relate to secure credential standards. GSA is prioritizing continued focus on Cybersecurity CAP goals to bolster continued progress on this objective.

<p><b>Performance Goal 3.3.1 - Provide agencies with the tools and resources to implement IT standards and policies.</b></p>	
<p>GSA is committed to helping agencies understand and comply with Federal IT policies and standards. This goal captures GSA’s ability to help agencies optimize data centers, and ensure that cybersecurity threats related to identity management are mitigated.</p>	
<p><b>Benefit to the Public</b></p>	<p>Clear IT standards and policies result in increased policy compliance, enabling agencies to deliver more effective and efficient services, resulting in Government-wide cost savings and better access to Government information and services for the public.</p>
<p><b>Performance Indicator Definition</b></p>	<p>(a) <u>Percent increase of Government-wide tiered data center closures (cumulative):</u>  Captures the optimization of Federal data centers by including existing data centers that are consolidated or closed in the following priority order:</p> <ol style="list-style-type: none"> <li>1. Transitioning to cloud services;</li> <li>2. Migrating to inter-agency shared services or co-located data centers; and</li> <li>3. Migrating to more optimized data centers within an agency’s data center inventory.</li> </ol> <p>The cumulative percentage represents the overall improvement in effectively managing data centers Government-wide.</p> <p>(b) <u>Percent of Government employees and contractors that log onto Government networks with a standardized, secure credential:</u>  Mitigates risk of network breach by eliminating weak passwords and enforcing multi-factor authentication. The measure is based on the FY 2018 Federal Information Security Management Act (FISMA) PROTECT metric 2.4.1 and aligns with the National Institute of Standards and Technology (NIST) Cybersecurity Framework.</p> <p>(c) <u>Number of cloud strategies and actions plans developed in accordance with update to Data Center Optimization Initiative (DCOI) (cumulative):</u>  As a result of working with the PMO, and based on agency needs and capabilities, agencies will have:</p> <ul style="list-style-type: none"> <li>• An identification of needs and establishment of a governance model;</li> <li>• An inventory of agency applications and matching of security boundaries;</li> <li>• A business value and technical fit assessment;</li> <li>• A total cost of ownership (TCO) assessment;</li> <li>• A scoring of application business value; and</li> <li>• Application placement determinations (Review, Reward, Remove, Refresh).</li> </ul>

	<p>(d) <u>Number of agencies with updated risk assessments completed utilizing Federal Government Identity, Credential, and Access Management (FICAM) playbooks and tools:</u></p> <p>These assessments will serve in reaching the following outcomes (as outlined in OMB M-19-17):</p> <ol style="list-style-type: none"><li>1. Contextualizing identity in the Federal Government;</li><li>2. Managing identities, credentials, and access in modern Government;</li><li>3. Adapting the Government’s approach to Homeland Security Presidential Directive 12 (HSPD-12);</li><li>4. Shifting the operating model beyond the perimeter;</li><li>5. Improving digital interactions with the American public; and</li><li>6. Enumerating Government-wide responsibilities.</li></ol>
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<b>Progress Update</b>	<p>DCCOI and FICAM have achieved the desired targets of the current metrics and new metrics are under consideration.</p> <p>(a) <u>Percent increase of Government-wide tiered data center closures (cumulative):</u>                  The DCCOI PMO surpassed the target number of closures for tiered data centers by helping agencies identify key mission facilities (exempt from closure) and refining the definition of a tiered vs. non-tiered data center. The new DCOI memo refined the metrics to measure the efficiency of data centers, making it easier to identify and close the least efficient and non-mission critical data centers.</p> <p>(b) <u>Percent of Government employees and contractors that log onto Government networks with a standardized, secure credential:</u>                  Results for this original FICAM metric are not available for nearly 10 months after the fiscal year closes, hindering timely decision making. Agencies report data at varying intervals throughout the fiscal year. Final numbers will be reported through OMB’s annual FISMA report to Congress which is expected in August, 2020.</p> <p>(c) <u>Number of cloud strategies and actions plans developed in accordance with update to Data Center Optimization Initiative (DCOI) (cumulative):</u>                  Since July 2019, the PMO has provided on-demand technical cloud subject matter expertise to agencies in support of their cloud strategy and action plan development. The PMO plans to continue offering this support throughout FY 2020 and encourages the creation of plans and strategies that are aligned with M-19-19 and the Cloud Smart strategy. The extent of agency participation will inform the final strategies and plans.</p> <p>(d) <u>Number of agencies with updated risk assessments completed utilizing Federal Government Identity, Credential, and Access Management (FICAM) playbooks and tools:</u>                  This new metric identifies six outcomes outlined in M-19-17 (listed in the above performance indicator definition) that agencies will achieve through in-depth risk assessments facilitated by the FICAM team. The FICAM team will use tools and best practices outlined in FICAM playbooks to achieve these outcomes.</p>
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<b>(a) Percent increase of Government-wide tiered data center closures (cumulative)</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	N/A
2017	N/A	3.55%
2018	6.0%	8.95%
2019	10.0%	13.09%
2020	14.0%	N/A*
<b>Lead Office: Office of Government-wide Policy</b>		

\*To be discontinued in FY 2021

<b>(b) Percent of Government employees and contractors that log onto Government networks with a standardized, secure credential</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	72%
2017	N/A	81%
2018	83%	96%
2019	95%	TBD*
2020	98%	N/A**

**Lead Offices:** Office of Government-wide Policy and Federal Acquisition Service

\* Results will be available after the annual OMB FISMA report is released in August 2020.

\*\* To be discontinued in FY 2021

<b>(c) Number of cloud strategies and action plans developed in accordance with update to DCOI</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2019	N/A	N/A
2020	5	N/A
2021	5	N/A

**Lead Office:** Office of Government-wide Policy

<b>(d) Number of CFO Act agencies with updated risk assessments completed utilizing FICAM playbooks and tool (cumulative)</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2019	N/A	N/A
2020	6	N/A
2021	12	N/A

**Lead Office:** Office of Government-wide Policy

## STRATEGIC GOAL 4

**Design and deliver expanded shared services within GSA and across the Federal Government to improve performance and save taxpayer money.**



Mission-support services across Government are challenged by inefficiencies and manual processes, duplicative investments in technology and capabilities, and an inability to consistently modernize technology and business practices. For example, Government-wide benchmarking data shows some agencies are entering nearly all of their vendor invoices manually and paying nearly 100 times more per processed invoice than the standard for electronic invoicing. Similar examples can be cited in each of the key support functions at Federal agencies: human capital, IT support, finance, acquisition, and building services. Inefficiencies take valuable time and resources away from agency missions, impeding the Government’s ability to deliver on public priorities. GSA is able to fundamentally change the way Government conducts mission-support services by designing and delivering expanded shared services.

Shared services is an industry-leading practice with proven success in consolidating processes, systems, and workforce to reduce costs and deliver common services in a standard way across complex enterprises. This practice also creates opportunities to share specialists and time-tested approaches across agencies. Helping agencies share common services and technology today will mean long-term cost savings for taxpayers, and a Government that is leaner and better equipped. GAO has stated that “moving to shared services can save the Federal Government billions of dollars as well as reduce duplicative efforts, decrease systems upgrades, and free up resources for mission-critical activities.” But the Federal Government’s efforts to establish and scale up shared services have yielded mixed results, at best.

At GSA, the mission is to provide services to agencies. The agency’s robust supplier relationships and access to leading practices in industry for all support services allow GSA to bring innovative, proven solutions to the Federal Government. GSA’s role in Government-wide policy implementation and data analysis is also a key factor in helping agencies overcome barriers to improving their own mission-support operations and adopting shared services. To coordinate these efforts and fully realize its potential, GSA must develop stronger organizational capabilities to understand customer demand, work with industry to provide efficient and effective supply, and incorporate services from across GSA to satisfy the needs of Federal agencies.

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**Strategic Objective 4.1: Develop new organizational capabilities to understand customer demand and deliver integrated offerings to support common business processes Government- wide.**

The first three goals in this strategic plan focus on advancing and improving GSA’s capabilities in real estate, acquisition, and technology to better support agency missions Government-wide. However, GSA’s ability to integrate those capabilities into comprehensive life-cycle solutions will create the greatest value for agencies and the American people. To accomplish this goal, GSA will collaborate with customers and improve how its components coordinate to seamlessly meet customer needs.

GSA will expand its core capabilities and adapt to market demands. Scaling and adaptability are critical to addressing evolving customer needs. Strategic partnership with industry will help create an agile, responsive delivery model. GSA will also establish a specific business analysis function to conduct a variety of analyses to benefit customers, such as developing business cases, determining optimal bundles of products and services, and researching innovative methods to reduce costs and strengthen service quality.

GSA will improve its offerings by using performance evaluation and market competition to incentivize its industry partners to deliver high-quality service. GSA’s service processes and pricing will be transparent so customers can hold the agency accountable for delivering services that achieve both quality and cost expectations.

Further, GSA will provide leadership for and support of the PMA by assisting with the establishment of a strategic Government-wide framework for improving the effectiveness and efficiency of administrative services. To support implementation of this goal, the Administration established GSA as a co-lead for the *Sharing Quality Services* CAP goal. Among other responsibilities, GSA is expected to help expand the number and use of common solutions across Government to reduce duplication and costs. This approach will also rely on standardized administrative operations and core performance metrics to improve the quality and delivery of shared services.

## Key Strategies

- A. Strengthen customer interface capabilities by establishing a data-driven approach to customer engagement and standardizing intake processes to identify and address customer needs:
  - a. Develop a systematic, repeatable, and understandable approach to working with customers;
  - b. Leverage customer relationships to cultivate deep expertise and apply data-validated solutions to address customer problems across the Federal Government; and
  - c. Monitor customer satisfaction at every point in the life cycle and hold employees accountable for customer relationship management.
- B. Develop a comprehensive, integrated menu of options for GSA’s product and service offerings:
  - a. Conduct a high-level inventory of existing products and services and create a user friendly catalogue of GSA offerings; and
  - b. Recommend service packages (bundles) leveraging the catalogue to meet customer needs, with a focus on small agency lifecycle services as an early bundle.
- C. Develop organizational capabilities to provide products and services, tools, methodologies, and metrics to deliver shared services:
  - a. Grow the talent and skill sets to establish capabilities, including business process engineers, process improvement specialists, data specialists, technologists, and experts in large and complex project management;
  - b. Embed a culture that encourages performance, continual improvement, and entrepreneurship to deliver value to customers;
  - c. Use GSA’s technology expertise to deploy interoperable, secure, effective, and efficient technology solutions; and
  - d. Work with stakeholders in the executive branch and Congress to identify financial mechanisms that help agencies make the investments needed for technical upgrades, capability development and, where needed, transition to a shared services provider.
- D. Expand the number and use of common solutions to reduce duplication and cost:
  - a. Establish and operate a Quality Service Management Office (QSMO) for Civilian Human Resources Transaction Services to plan and deliver human capital shared mission-support services to customer agencies; and
  - b. Assess opportunities for common solutions within core support operations across the Government, including: human resources, financial management, procurement, grants management, operations support, and IT.

Goal Leaders	Julie Dunne, Commissioner Federal Acquisition Service  Daniel W. Mathews, Commissioner Public Buildings Service  Matthew Ford, Acting Chief Customer Officer Office of Customer Experience
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### Strategic Objective 4.1 – FY 2019 Progress Update

As part of the Agency Reform Plan and with a strong commitment to fleet efficiency, GSA completed the first fleet studies. The studies support GSA’s goal to expand shared services within GSA and across the Federal Government to improve performance and save taxpayer money. GSA conducted fleet efficiency studies on more than 190,000 vehicles owned by other agencies from FY 2018–FY 2019, and expanded its leased fleet by consolidating over 3,500 vehicles over the same time period.

Government-wide motor vehicle management tends to be disaggregated, often leading to redundancies and operational inefficiencies. In some of the own vs. lease studies conducted for GSA by third-party researchers, poor or insufficient data hindered a clear analysis on whether agencies should consolidate owned vehicles into GSA’s leased fleet. Leasing vehicles with GSA ensures that agencies can leverage reliable and comprehensive data on vehicle usage and maintenance in order to make sound decisions to support their mission.

Designing and delivering shared services remains a challenge for GSA. Efforts to design and deliver shared services for Government fleet is dependent upon other agencies cooperating with study findings and consolidating their vehicles if it is indicated as the most cost-effective course of action. GSA will continue to work with OMB and interested agencies in removing administrative barriers that may impede progress toward fleet vehicle consolidation.

<b>Performance Goal 4.1.1 – Expansion of centralized services</b>	
<p>GSA will develop and expand common solutions and service offerings for mission-support services, to drive more efficient and effective processes that help agencies maximize mission delivery. To eliminate redundancies and reduce Government-wide fleet costs, GSA’s Fleet program will partner with agencies to study their vehicle inventories to identify savings and efficiency opportunities, and partner with stakeholders to implement study recommendations. GSA will consolidate 1,500 vehicles in FY 2020 and an additional 2,000 vehicles in FY 2021, pending agencies’ commitments to implement study recommendations and the agencies having the required funds.</p>	
<b>Benefit to the Public</b>	Centralized fleet management functions provide agencies with savings and benefits of a shared fleet management service.
<b>Performance Indicator Definition</b>	<u>Number of agency-owned (non-GSA) vehicles consolidated by GSA:</u> Vehicle consolidations allow agencies to convert their agency-owned vehicles into GSA’s full life-cycle fleet leasing service. In many cases, consolidating agency-managed vehicles into the GSA Fleet eliminates redundancies and reduces costs to manage motor vehicle operations. The metrics capture the number of vehicles that GSA plans to consolidate over the next 2 years from multiple customer agencies.
<b>Progress Update</b>	<p>In 2019, the Fleet Management team completed studies of 114,207 vehicles across 6 agencies (DOI, DOJ, USDA, USMC, Navy, and DOE) for possible consolidation into the GSA fleet. This outcome exceeded the target for the number of vehicles studied by 14 percent (Target: 100,000; Result: 114,207).</p> <p>Actual consolidations have not yet occurred from the FY 2019 studies. GSA continues to work closely with OMB to address agency funding and responsiveness challenges. While 1,805 vehicles were consolidated in FY 2019, none resulted from the FY 2019 completed studies and follow-up efforts (Target: 5,000; Result: 1,805).</p> <p>Vehicle consolidations will continue as the focus for FY 2020 and FY 2021.</p>

<b>Number of agency-owned (non-GSA) vehicles studied and consolidated by GSA (vehicles studied / vehicles consolidated) ◎ FY 2018 - 2019 Agency Priority Goal</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A studied N/A consolidated	N/A studied 1,136 consolidated
2017	N/A studied N/A consolidated	N/A studied 911 consolidated
2018	25,000 studied 500 consolidated	76,238 studied 1,790 consolidated
2019	100,000 studied 5,000 consolidated	114,207 studied 1,805 consolidated
<b>Lead Office: Federal Acquisition Service</b>		

<b>Number of agency-owned (non-GSA) vehicles consolidated by GSA</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	1,136
2017	N/A	911
2018	N/A	1,790
2019	N/A	1,805
2020	1,500	N/A
2021	2,000	N/A
<b>Lead Office: Federal Acquisition Service</b>		

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**Strategic Objective 4.2: Promote adoption of shared services by agencies through policy, guidance, and benchmarking.**

GSA plays a central role in the development of policy, best practices, and strategic planning for mission-support services across Government. GSA's Office of Shared Solutions and Performance Improvement (OSSPI) has been a leader in educating and helping Government agencies understand the cost and operational benefits of shared services. Through management of the governance of the Shared Services Governance Board (SSGB), Business Standards Council (BSC), QSMO Roundtable, and Senior Accountable Point of Contact (SAPOC) body, OSSPI regularly engages providers and customers of the current and future shared service community. These interactions ensure the voice of the customer is incorporated throughout the standards development process and informs QSMO implementation strategies. OSSPI also analyzed the challenges in the current shared service ecosystem and recommended strategies to mitigate risks. OSSPI will continue to work with agencies to promote standardization and implement best practices to facilitate agency transitions to shared services operating models.

**Key Strategies**

- A. Establish and lead cross-agency councils to facilitate the sharing of lessons learned, advise GSA leadership on possible shared services, and participate in the development of best practices guidance.

- B. Help agencies and the Government to identify sharing opportunities and propose adoption strategies:
  - a. Manage and coordinate the cross-functional development of standard capabilities for mission-support functions where appropriate; and
  - b. Conduct periodic assessments of agencies’ performance of mission-support functions against Government-wide standards and peers to inform policy decisions, opportunities for mission-support improvement, or mitigation of risks.
- C. Assist agencies with their preparation for successful migration to shared services or modernization efforts:
  - a. Coordinate the readiness assessment process to ensure Government-wide buy-in of administrative standards.
  - b. Manage the governance process of the Federal Integrated Business Framework (FIBF) templates and facilitate the resolution of cross-functional issues.

Goal Leader	Jessica Salmoiraghi, Associate Administrator Office of Government-wide Policy
Contributing Programs	Office of Shared Solutions and Performance Improvement (OSSPI)

### Strategic Objective 4.2 – FY 2019 Progress Update

GSA continues to make progress toward establishing Government-wide standards for mission-support functions, following the FIBF. Having standards is the most critical step to establishing a successful shared service because agencies must agree on the system or service requirements in order to benefit from scale and common delivery methods. In FY 2019, the Business Standards Council focused on cross-functional synergies and defining how the various business processes will integrate. Although components of standards have been completed, no standard has been fully completed because the touch points between functional communities are a work in progress.

Use of GSA’s M3 tools and best practices exceeded the FY 2019 performance goal. GSA worked closely with OMB and the QSMO to update M3 to align with the revised shared services strategy and to develop a common process to review investments while the QSMOs are becoming operational.

Performance Goal 4.2.1 - Reduce barriers to entry to facilitate easier adoption of shared services	
<b>Benefit to the Public</b>	Making it easier to move to shared services will help eliminate redundancy, mitigate risk, and consolidate buying power to reduce costs.
<b>Performance Indicator Definition</b>	<p>(a) <u>Number of CFO Act agency services using GSA’s M3 tools and best practices to assess readiness for shared services:</u> GSA’s Office of Shared Solutions and Performance Improvement (OSSPI) used the M3 Framework to help CFO Act agency services achieve successful outcomes and reduce risk during administrative system modernizations and migrations. M3 provided guidance, tools, and templates — based on leading practices — to help CFO Act agency customers improve the likelihood of successful outcomes.</p> <p>(b) <u>Number of business lines with completed business standards and data elements per the Federal Integrated Business Framework (FIBF):</u> Strategy 1 of the Sharing Quality Services CAP Goal describes Government-wide standardization activities using the FIBF. Standards leads complete the FIBF with their communities and participate in a</p>

	<p>cross-functional governance process as defined in the CAP goal. GSA manages the governance process and adherence to the standard templates within the FIBF, measuring how many actionable recommendations toward quality control are delivered.</p> <p>(c) <u>Number of business lines that go through a readiness assessment:</u> As new and emerging functional areas are identified for service delivery optimization and standardization, an agency readiness assessment must be completed prior to consideration for designation. The readiness assessment supports the development of a baseline analysis on the current state of service delivery across the agency community in the functional area. This analysis informs decision making and the development of a strategic plan that will target improved Government-wide and agency efficiencies in policy, operating models, technology, and standards alignment within the functional area. These decisions and planning will further clarify a vision and appropriate next steps for further improving the availability of mission-support resources and performance levels available to the agency and Government-wide communities.</p> <p>(d) <u>Number of components that have advanced to the next stage of the standards development process part of the FIBF:</u> Designated or pre-designated standards leads must complete five components of the FIBF as they mature towards completion of a baseline for common Government-wide standards within each functional area. These components are identified as: Federal Business Lifecycles, Business Capabilities, Business Use Cases, Standard Data Elements, and Performance Metrics. Ongoing reviews and an established governance procedure ensures components of the draft standards are ready to advance through each stage of the standards development process.</p>
<p><b>Progress Update</b></p>	<p>Much progress was achieved in FY 2019 with the release of OMB Memorandum 19-16, <i>Centralized Mission Support Capabilities for the Federal Government</i>, and the start of its execution. GSA supported the memo’s development and execution in its role to coordinate governance, execute CAP Goal program management, and to develop processes to support the development and implementation of OMB policy as it relates to mission-support services. In particular, as it relates to the aforementioned performance indicators, GSA OSSPI continued to support CFO Act agencies via its M3 framework to help agencies achieve successful outcomes and reduce risk during administrative system modernizations and migrations.</p> <p>In support of the foundational work of establishing end-to-end Government-wide mission-support standards, GSA continued to work with the standards leads on the Business Standards Council to address cross-functional touchpoints and to help new mission support areas begin to develop their Government-wide standards. To truly address and gain agreement on common touch points can take time, but it is an important step before any standards are finalized. Once standards are agreed upon, a readiness assessment is conducted to ensure agencies are in agreement with the final set.</p>

<b>(a) Number of agencies using GSA’s M3 tools and best practices to assess readiness for shared services</b>		
Fiscal Year	Target	Results
2017	N/A	4
2018	6	31
2019	35	43
<b>Lead Office:</b> Office of Government-wide Policy		

<b>(b) Number of business lines with completed business standards and data elements per the Federal Integrated Business Framework (FIBF)</b>		
Fiscal Year	Target	Results
2018	N/A	N/A
2019	3	1
<b>Lead Office:</b> Office of Government-wide Policy		

<b>(c) Number of business lines that go through a readiness assessment</b>		
Fiscal Year	Target	Results
2018	N/A	5
2019	N/A	1
2020	1	N/A
2021	1	N/A
<b>Lead Office:</b> Office of Government-wide Policy		

<b>(d) Number of components that have advanced to the next stage of the standards development process as part of the FIBF</b>		
Fiscal Year	Target	Results
2018	N/A	5
2019	N/A	15
2020	12	N/A
2021	12	N/A
<b>Lead Office:</b> Office of Government-wide Policy		

**Strategic Objective 4.3: Support the overall mission of GSA by investing in our employees and modeling how GSA delivers internal support services, while providing policy guidance across Government.**

To strengthen GSA’s ability to lead by example in Government management, it is important that GSA’s support services be among the most efficient and effective in Government. GSA’s CXO functions (acquisition, finance, human capital, IT) will seek to build on recent performance gains, accelerating reforms to streamline operations and align with customer needs. GSA prides itself on understanding how business operations benefit Government. GSA will look to the very best business organization equivalents for performance comparisons and benchmarks, challenging itself to match or exceed their performance.

This includes practicing what we preach. When GSA is advising other agencies on methods to improve their support operations — whether through organizational fixes or migrating to shared services — GSA should adopt a like-minded approach to pursuing efficiency gains and service quality. GSA’s credibility across Government is enhanced when GSA demonstrates that the solutions it recommends externally are used inside of GSA as well. This is true for the traditional CXO functions and for non-CXO functions that also enable GSA to achieve its mission.

Finally, GSA recognizes the importance of engaging the entire workforce in this mission. For many, the agency’s growing emphasis on providing customers with integrated solutions, life-cycle management, and shared services will present both a challenge and an opportunity. It is incumbent on GSA to invest in its workforce, developing the skills, tools, and inspiration for employees to excel at delivering core and emerging services to GSA’s customers and suppliers.

**Key Strategies**

- A. Improve the performance of GSA’s CXO functions by building on GSA’s previous CXO consolidation initiatives and applying proven shared services principles:
  - a. Conduct a thorough review of previous CXO consolidations to implement lessons learned and drive further performance across GSA’s support functions; and
  - b. Partner with SSPI to assess opportunities for GSA CXO functions to incorporate principles and proven practices from the broader shared services community.
- B. Ensure that GSA’s non-CXO functions deliver effective, efficient, and accountable services to GSA or, as appropriate, across the Federal Government:
  - a. Establish organizational performance plans and service metrics for GSA’s non-CXO functions, oriented around the customers to whom they are accountable; and
  - b. Build connections to and knowledge of non-CXO functions at other Federal agencies to share and adopt proven practices.
- C. Complete a cost and operational review to clearly identify direct and indirect costs; develop management actions to address areas for improvement:
  - a. Develop a methodology for defining and measuring all forms of indirect costs for GSA operations, including Service and Staff Offices; and
  - b. Construct methods for allocating costs to GSA products and services to better understand their economics and inform pricing strategies.
- D. Mature the agency’s workforce planning capabilities to deliver a mission-ready workforce.
  - a. Assess SSO workforce planning maturity levels;
  - b. Implement an enterprise-wide recruitment strategy to support, maintain and increase quality candidate pools for mission-critical occupations; and
  - c. Assess and consolidate GSA entry-level programs.
- E. Expand the Eliminate, Optimize, Automate (EOA) and Robotic Process Automation (RPA) initiatives to enhance GSA’s efforts to shift from low-value to high-value work.
  - a. Establish a Government-wide Community of Practice to accelerate RPA adoption;
  - b. Assess the scale of opportunity; and
  - c. Establish a pilot IT platform.

Goal Leaders	GSA Service and Staff Offices
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**Strategic Objective 4.3 – FY 2019 Progress Update**

GSA is making noteworthy progress toward achieving this strategic objective and met all of its performance goals for FY 2019. Customer satisfaction with mission-support functions — including contracting, financial management, human capital management, and information technology — improved for the third consecutive year in FY 2019. GSA is on track to provide better competition for

agency acquisition contracts. GSA continues to modernize its IT portfolio through greater use of cloud technologies, modernize legacy IT systems within its portfolio, and invest in cybersecurity enhancements (tools and processes) that protect key business systems and infrastructure. Employee connection to GSA’s mission also continued its positive trend, as reported in the 2019 Federal Employee Viewpoint Survey (FEVS).

During the last year, GSA made remarkable progress in streamlining operations through robotic process automation (RPA), freeing up workers to spend more time on higher-impact activities. By the end of FY 2019, GSA had deployed 29 RPA projects agency-wide, shifting about 62,000 FTE hours from low-value work to high-value work through automation and improved administrative processes. The agency identified more than 200,000 hours of low-value work that can be automated, reduced, or eliminated. In addition, GSA is leading a Government-wide community of practice to accelerate RPA adoption. All the while, the agency continues to reduce its operating costs as a percentage of goods and services provided to its customers.

<p><b>Performance Goal 4.3.1 - Efficient and effective mission-support services at GSA (CXO and non-CXO functions)</b></p> <p>GSA must ensure that internal operations are efficient and effective to support low-cost, high-quality products and services. This focus on internal excellence is carried forward in how GSA provides mission-support services to the Government-wide community.</p>	
<p><b>Benefit to the Public</b></p>	<p>Effective and efficient GSA internal operations decrease the cost burden to agency customers, freeing up funds to meet mission objectives for the American public.</p>
<p><b>Performance Indicator Definition</b></p>	<p>(a) <u>Total GSA operating cost as a percent of goods and services provided:</u> For all of GSA’s major products or services: Total operating costs (direct and indirect) divided by total revenues.</p> <p>(b) <u>Effectiveness of GSA CXO functions, as measured by customer satisfaction:</u> From the PMA Benchmarking Initiative’s Customer Satisfaction Survey: Equally weighted composite customer satisfaction score for GSA’s CXO functions (acquisition, financial management, human capital, IT, and services).</p> <p>(c) <u>Percent of GSA IT portfolio utilizing cloud technologies:</u> Divides the number of GSA IT investment line items (from IT portfolio summary) that are utilizing cloud technologies by the total number of eligible GSA IT investment line items that could adopt cloud services.</p> <p>(d) <u>Competition rate for GSA acquisitions:</u> Provided from the Federal Procurement Data System (FPDS) source data. Total dollar value of GSA-competed actions divided by the total dollar value of GSA-obligated actions; including contracts that GSA provisions through reimbursable agreements with other agencies.</p> <p>(e) <u>Competitive One-Bid rate for GSA acquisitions:</u> Provided from FPDS source data. Total dollar value of GSA-competed actions with only one bid divided by the total dollar value of GSA-competed actions; includes contracts that GSA provisions through reimbursable agreements with other agencies.</p>

<b>Progress Update</b>	<p>(a) <u>Total GSA operating cost as a percent of goods and services provided:</u> GSA far exceeded the target of 9.00% with an actual of 8.01% for total GSA operating cost as a percentage of goods and services provided. This positive result shows that GSA is efficiently managing costs relative to the demand for our goods and services.</p> <p>(b) <u>Effectiveness of GSA CXO functions, as measured by customer satisfaction:</u> GSA’s FY 2019 score of 5.42 exceeded the FY 2019 target of 5.23. Since FY 2016, GSA’s score has shown an annual positive increase.</p> <p>(c) <u>Percent of GSA IT portfolio utilizing cloud technologies:</u></p> <ul style="list-style-type: none"> <li>● GSA has 50 percent (43 of 86) of IT investment line items using cloud technologies, as reported on the OMB IT Portfolio Summary.</li> <li>● The 3 percent increase over FY 2019 is a result of an increase in the number of standard investments and changes in the number of total investments in the portfolio.</li> </ul> <p>(d) <u>Competition rate for GSA acquisitions</u> and (e) <u>Competitive One-Bid rate for GSA acquisitions:</u> GSA developed a dashboard that allows managers across the agency to regularly track competition metrics and identify areas for improvement, and communicates performance monthly. GSA exceeded the competition target, but did not meet the Competitive One-Bid target. A key driver for higher Competitive One-Bid was an increased demand for GSA’s Assisted Acquisition Service (AAS) where the business volume was up \$1.5 billion and with an increase in Competitive One-Bid rate from 18.61 percent to 20.2 percent.</p>
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<b>(a) Total GSA operating cost as a percent of goods and services provided</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	9.65%	9.44%
2017	9.61%	9.25%
2018	9.20%	8.45%
2019	9.00%	8.01%
2020	8.60%	N/A
2021	8.50%	N/A
<b>Lead Office: Office of the Chief Financial Officer</b>		

<b>(b) Effectiveness of GSA CXO functions, as measured by customer satisfaction (7-point scale)</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	4.96
2017	N/A	5.07
2018	5.15	5.16
2019	5.23	5.42
2020	5.27	N/A
2021	5.40	N/A
<b>Lead Offices: OCFO, OAS, OHRM, and GSA IT</b>		

<b>(c) Percent of GSA IT portfolio utilizing cloud technologies</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	42%
2017	N/A	42%
2018	44%	47%
2019	50%	50%
2020	52%	N/A
2021	53%	N/A
<b>Lead Office: GSA IT</b>		

<b>(d) Competition rate for GSA acquisitions</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	80.3%
2017	N/A	81.4%
2018	80.0%	82.6%
2019	80.0%	85.4%
2020	80.0%	N/A
2021	80.0%	N/A
<b>Lead Office: Office of Government-wide Policy</b>		

<b>(e) Competitive One-Bid rate for GSA acquisitions</b>		
<b>Fiscal Year</b>	<b>Target</b>	<b>Results</b>
2016	N/A	14.3%
2017	N/A	14.9%
2018	15.0%	18.0%
2019	15.0%	15.4%
2020	15.0%	N/A
2021	15.0%	N/A
<b>Lead Office: Office of Government-wide Policy</b>		

<p><b>Performance Goal 4.3.2 - Highly engaged GSA workforce that is prepared to support and deliver new and expanded offerings</b></p> <p>A workforce that places the customer at the center of daily operations is able to deliver on current needs and provide solutions that meet future requirements. Developing a proactive workforce of this caliber enables successful delivery of new and expanded offerings.</p>	
<p><b>Benefit to the Public</b></p>	<p>When GSA reduces agency burdens and provide high-quality and low-cost services to customer agencies, it enables a more efficient and effective delivery of their missions to the public.</p>
<p><b>Performance Indicator Definition</b></p>	<p><u>Federal Employee Viewpoint Survey - Connection to GSA's Mission (percent positive):</u>                      GSA measures a Mission Index, which focuses on how connected employees feel to the agency mission and how equipped they are (through training and development) to deliver on that mission. Questions from the U.S. Office of Personnel Management’s FEVS are used to calculate the Mission Index. The index comprises FEVS questions in two subcategories: "Mission and Goals" and "Training and Development." Index is calculated by taking the average percent positive responses to each of the FEVS questions in the two subcategories.</p>
<p><b>Progress Update</b></p>	<p>The GSA workforce connection to GSA’s mission continues to show improvement as assessed by the Federal Employee Viewpoint Survey. Over the past 4 years, results for this index score have improved from 72 percent to nearly 80 percent.</p>

<p><b>Federal Employee Viewpoint Survey — Connection to GSA's Mission (percent positive)</b></p>		
Fiscal Year	Target	Results
2016	N/A	72.2%
2017	N/A	76.2%
2018	76.0%	77.0%
2019	78.0%	79.6%
2020	79.0%	N/A
2021	79.0%	N/A
<p><b>Lead Offices:</b> GSA Service and Staff Offices</p>		

## MANAGEMENT AND PERFORMANCE CHALLENGES

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The Government Performance and Results Modernization Act of 2010 requires that Federal agencies identify and address management and performance challenges, which include programmatic or management functions that have greater vulnerability to waste, fraud, abuse, and mismanagement, and areas where failure to perform well could seriously affect the ability of an agency or the Federal Government to achieve its mission or goals. Performance Improvement Officers are responsible for encouraging and advocating greater impact through innovation, increased effectiveness and efficiency, and better customer service.

The U.S. Government Accountability Office (GAO) performs annual audits of GSA's major missions and routinely assesses the agency's progress on management challenges identified on [GAO's High Risk List](#). GAO's High Risk List, including agencies and program areas across the Government, is updated every 2 years and specifies corrective actions GAO believes necessary to improve critical operations and activities. GSA has a leading role in the management of Federal real property, a long-standing challenge on the High Risk List, and has equities in several other Government-wide areas.

GSA addresses reports on major management and performance challenges, and high-risk areas from the GSA Office of Inspector General (OIG). The OIG identified nine management challenges in its Assessment of GSA's Management and Performance Challenges for FY 2020. GSA's response to this assessment is included in the management challenges section of the [FY 2019 Agency Financial Report](#).

GSA's Enterprise Risk Program, Management Control and Oversight Committee, and Investment Review Board also help to identify challenges. These efforts, in addition to consideration of OIG findings and GAO recommendations provide insights that inform cross-organizational initiatives. On a quarterly and annual basis, GSA tracks progress toward successful completion of performance goals and strategic objectives enterprise-wide.

## EVIDENCE-BUILDING

GSA is committed to improving its effectiveness (mission delivery) and efficiency (cost savings) of its operations and programs. In FY 2019, GSA continued a number of ongoing evaluation and evidence activities. These included:

- Conducting a rigorous evaluation to learn more about increasing survey responses on the USA.gov platform. USA.gov provides the central online guide to Government information and services, with 130,000 unique visitors each day and an email audience of over 1 million subscribers. USA.gov used the findings to reevaluate the frequency, content, and style of their email communications.
- GSA Fleet completed Agency Reform Plan studies of agency fleets, which included 114,207 agency-owned motor vehicles in 2019. These studies identified the potential for \$170.6–189 million in annual savings for the 11 agencies studied which included 190,445 vehicles studied in 2018 and 2019.
- The Public Buildings Service (PBS) analyzed the data associated with its leased portfolio and found that short-term lease extensions came at a significant premium compared to long-term lease replacements. As a result, PBS launched the Lease Costs Avoidance Plan as part of its Real Estate Savings and Investment Strategy. PBS will focus on the high-value leases that represent nearly 80 percent of GSA's rental obligations and replace those leases with longer firm terms at

better rates and improved utilization. From FY 2018 through FY 2019, GSA saved over \$2 billion in leasing, and is projecting savings of billions more by FY 2023.

GSA's Office of Evaluation Sciences (OES) is expanding its role and capacity to provide Government-wide expertise and support on leading practices for evidence-building and evaluations. OES is expanding its scope to work directly with agencies to provide expertise, training, and resources on evidence-building. To meet the requirements of the Evidence-Based Policymaking Act, GSA is establishing its own internal evaluation capacity. Initially drawing from staff and expertise from OES, GSA will use existing funding to initiate internal efforts to draft a learning agenda and evaluation plan. GSA will also aim to identify prime learning and evaluation opportunities, to initiate new evaluations in FY 2020 using existing resources.

## DATA VALIDATION AND VERIFICATION

The GSA Chief Financial Officer certified the FY 2019 performance data contained in this report as complete and reliable, as required by the GPRM Modernization Act of 2010. GSA has verification and validation techniques in place, which provide reasonable assurance over the completeness and reliability of all performance data contained in this report. These techniques included:

- (1) Maintaining a data dictionary of performance data measures, including data sources, computation methodology, and reliability assessment for each performance indicator;
- (2) Verifying, at least annually, the accuracy and completeness of the information contained in the data dictionary; and
- (3) Validating, at least annually, the measures reported by collecting measure source data and calculation files and applying the calculation methodology defined in the data dictionary.

## LOWER-PRIORITY PROGRAM ACTIVITIES

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRM Modernization Act of 2010, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

## APPENDIX: ACRONYM AND ABBREVIATION LIST

<b>AAS</b>	Assisted Acquisition Service		
<b>AAAP</b>	Automated Advanced Acquisition Program	<b>FPISC</b>	Federal Permitting Improvement Steering Council
<b>ATO</b>	Authority to Operate	<b>FRPC</b>	Federal Real Property Council
<b>BOMA</b>	Building Owners and Managers Association	<b>GLS</b>	GSA Leasing Support Services
<b>BTU</b>	British Thermal Units	<b>GSA</b>	General Services Administration
<b>CAP</b>	Cross Agency Priority	<b>GSF</b>	Gross Square Foot
<b>CBCA</b>	Civilian Board of Contract Appeals	<b>GSA IT</b>	Office of the Chief Information Officer
<b>CDM</b>	Continuous Diagnostics and Mitigation	<b>HSPD-12</b>	Homeland Security Presidential Directive 12
<b>CFO</b>	Chief Financial Officer	<b>HUBZone</b>	Historically Underutilized Business Zone
<b>CIC</b>	Cloud Information Center	<b>ICAM</b>	Identity, Credential, and Access Management
<b>CoE</b>	Center of Excellence	<b>IPv6</b>	Internet Protocol version 6
<b>CXO</b>	Chief _ Officer	<b>IT</b>	Information Technology
<b>DEFEND</b>	Dynamic and Evolving Federal Enterprise Network Defense	<b>ITC</b>	Information Technology Category
<b>DCOI</b>	Data Center Optimization Initiative	<b>JAIC</b>	Joint Artificial Intelligence Center
<b>DCCOI</b>	Data Center and Cloud Optimization Initiative	<b>LCAP</b>	Lease Cost Avoidance Plan
<b>DHS</b>	Department of Homeland Security	<b>LCRM</b>	Lease Cost Relative to Market
<b>DoD</b>	US Department of Defense	<b>LoB</b>	Line of Business
<b>EIS</b>	Enterprise Infrastructure Solutions	<b>M3</b>	Modernization and Migration Management
<b>FAS</b>	Federal Acquisition Service	<b>MAS</b>	Multiple Award Schedule
<b>FASTA</b>	Federal Assets Sale Transfer Act	<b>MOU</b>	Memorandum of Understanding
<b>FedRAMP</b>	Federal Risk and Authorization Management Program	<b>NAICS</b>	North American Industry Classification System
<b>FEVS</b>	Federal Employee Viewpoint Survey	<b>NIST</b>	National Institute of Standards and Technology
<b>FIBF</b>	Federal Integrated Business Framework	<b>OAS</b>	Office of Administrative Services
<b>FICAM</b>	Federal Identity, Credential, and Access Management	<b>OCE</b>	Office of Customer Experience
<b>FISMA</b>	Federal Information Security Management Act	<b>OCFO</b>	Office of the Chief Financial Officer
<b>FM</b>	Facilities Management	<b>OCIA</b>	Office of Congressional and Intergovernmental Affairs
<b>FPDS</b>	Federal Procurement Data System	<b>OCR</b>	Office of Civil Rights
		<b>OGC</b>	Office of the General Counsel

<b>OGP</b>	Office of Government-wide Policy	<b>REXUS</b>	Real Estate Across the United States
<b>OHRM</b>	Office of Human Resources Management	<b>ROI</b>	Return on Investment
<b>OIG</b>	Office of Inspector General	<b>RPA</b>	Robotics Process Automation
<b>OMA</b>	Office of Mission Assurance	<b>RSF</b>	Rentable Square Feet
<b>OMB</b>	Office of Management and Budget	<b>SBA</b>	Small Business Administration
<b>OSBU</b>	Office of Small Business Utilization	<b>SDB</b>	Small Disadvantaged Business
<b>OSSPI</b>	Office of Shared Solutions and Performance Improvement	<b>SDVOSB</b>	Service-Disabled Veteran-Owned Small Business
<b>OSC</b>	Office of Strategic Communication	<b>SO</b>	Strategic Objective
<b>PBS</b>	Public Buildings Service	<b>SSPI</b>	Shared Solutions and Performance Improvement
<b>PG</b>	Priority Goal	<b>TCO</b>	Total Cost of Ownership
<b>PMA</b>	President's Management Agenda	<b>TBM</b>	Technology Business Management
<b>PMO</b>	Program Management Office	<b>TMF</b>	Technology Modernization Fund
<b>PBRB</b>	Public Buildings Reform Board	<b>TTS</b>	Technology Transformation Services
<b>QSMO</b>	Quality Service Management Office	<b>VoIP</b>	Voice over Internet Protocol
<b>R&amp;A</b>	Repair and Alterations	<b>WOSB</b>	Woman-Owned Small Business



**U.S. General Services Administration**

**MANAGEMENT CHALLENGES and GSA ACTIONS**

**Fiscal Year 2021 Budget Request**

**CONTENTS**

Management Challenges and GSA Actions ..... 2

## **Management Challenges and GSA Actions**

The sections below summarize the management challenges listed by the GSA Inspector General and initially reported in GSA's FY 2019 Annual Financial Report on November 15, 2018. In all cases, GSA's budget addresses each management challenge by providing the necessary funding for the office charged with addressing the challenge.

### **CHALLENGE # 1: Establishing and Maintaining an Effective Internal Control Environment Across GSA**

#### **Agency Action Completed or Planned**

GSA recognizes the importance of an effective internal control system on the agency's success. When internal controls were identified as a management challenge in FY 2019, GSA took an enterprise-wide approach with the following actions to strengthen the agency's internal control environment.

- **GSA established top leadership support** to address these issues by establishing a Senior Leadership Team representing the GSA Heads of Services and Staff Offices (SSOs). This team, co-chaired by the Deputy Administrator and the Chief Financial Officer (CFO), directs management attention to developing a more effective internal control environment across GSA. It provides high-level governance over the response to internal control deficiencies, established goals, and priorities, and increases Senior Executive accountability to resolve internal control weaknesses through regular meetings to assess status and performance.
- **GSA chartered a Performance Audit and Internal Control Working Group** with the specific responsibility of reviewing and revising audit and internal controls procedures, improving coordination and communication of program audit and internal control activities across the agency, and developing action plans to strengthen internal controls. This group takes an agency-wide approach to identify and address internal control weaknesses and elevate and recommend issues to the Senior Leadership Team.
- **GSA analyzed program audit and internal control issues** to identify and analyze root causes. This analysis was used to inform an action plan that identifies specific steps to ensure compliance with laws and regulations, the timely resolution of audit issues, and the elimination of repeat audit issues. The action plan also outlines performance metrics to measure progress against goals, ensure quality of program audit data, and report progress to the Senior Leadership Team.

- **GSA expanded internal reviews** conducted by the Procurement Management Review Division. In FY 2019 this group expanded their review scope to include contract administration and Multiple Award Schedule (MAS) team-based contracts and to require enterprise-wide corrective action plans to address compliance and internal control weaknesses.

GSA developed corrective action plans for each of the audits and findings referenced in this management challenge. GSA has worked with the OIG to strengthen our internal controls over programs, resulting in significant reductions in the number and age of open audit recommendations compared to prior years.

In FY 2020, GSA looks forward to working in partnership with the OIG and expects to demonstrate continued progress in resolving audit issues and strengthening our internal control environment.

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## **CHALLENGE # 2: Improving Contract and Lease Administration Across GSA**

### **Agency Action Completed or Planned**

GSA strengthened the oversight and control environment relating to contract and leasing through several efforts, including through the use of data to drive visibility, policy changes, workforce changes, and Procurement Management Reviews (PMR).

In 2014, GSA created the agency-wide acquisition balanced scorecard, under which monthly reports on key metrics are developed for each Head of Contracting Activity (HCA) across the agency. The HCAs are sent monthly updates on performance and can check their progress and status at any point. The Senior Procurement Executive (SPE), Assistant Commissioners for Acquisition Management, and other agency leaders review these results on a regular basis and follow up to address concerns.

Recognizing particular challenges in leasing and in IT Acquisition, GSA worked with the Office of Personnel Management to obtain direct-hire authority for lease contracting officers and is increasing staffing. GSA is also developing a comprehensive IT Acquisition Competency Model. GSA developed an updated model for the key competencies required of IT buyers and baselined the workforce against the new model in October 2019. The focus for FY 2020 is to develop strategies to fill identified gaps through industry- and Government-developed training.

GSA's Office of Acquisition Policy also issued three General Services Acquisition Manual changes to address OIG concerns related to contract and leasing administration practices:

1. 2019-G505 (effective 4-16-19) addresses OIG concerns regarding missing contract file documentation. It provides for consistent management of contracts through a standard file format, ensuring that documents that tend to be found in many places across multiple systems will be easier to locate.
2. 2019-G506 (effective 8-2-19) provides a common framework for conducting acquisition reviews, including at the post-award phase. This is the first time GSA has required structured acquisition reviews across the agency and review of contract performance as part of review panel processes
3. 2019-G509 (effective 9-16-19) is a response to inconsistent policy leading to customer concerns, industry complaints, and added costs. It clarifies that draft policies, such as FAS Policies and Procedures, Procurement Instructional Letters, and Leasing Acquisition Alerts, be shared with the SPE prior to issuance. This is an important effort to drive policy standardization.

In October 2019, the GSA SPE directed that the FY 2019 PMR cycle place a greater emphasis on assessing GSA's contract administration environment. The Office of Government-wide Policy (OGP) then collaborated with FAS and PBS to develop a comprehensive list of test questions to assess GSA activities in contract administration in terms of compliance with laws, regulations, and policies, as well as quality. The test questions were generally grouped into four major categories of contract administration activities: budget, schedule, roles and responsibilities, and oversight documentation. A total of 12 GSA contracting activities were reviewed in FY 2019. The groups were subsequently provided with detailed results of their performance based on the test questions. The entities reviewed in FY 2019 were:

- **FAS:** Region 6, Region 8, Region 11, Travel, Transportation, and Logistics, and Information Technology Category;
- **PBS Acquisition:** Region 6, Region 8, and PBS Energy Division;
- **PBS Leasing:** Region 6, Region 8, and Region 11; and
- **OAS:** Office of Internal Acquisition

Findings and recommendations specific to one entity required a corrective action plan (CAP) from the specific head of contracting activity. OGP requested CAPs from three entities in FY 2019.

OGP identified four enterprise-wide findings and is drafting recommendations to issue to GSA Heads of Services and Staff Offices. These recommendations request resolution of the findings with CAPs. The Office of Administrative Services will monitor and track progress and successful completion.

In August 2019, the PMR Division shared all results from the FY 2019 PMR cycle with FAS, PBS, OAS, and OCFO at a 2-day planning session. In this session, the test questions were also reviewed to identify areas where the review process should be strengthened in FY 2020. In response to the OIG's findings regarding Enterprise Infrastructure Solutions contract, FAS submitted a CAP to address the six recommendations. GSA is working with the OIG to receive final approval on the CAP, which describes the controls that have already or will be implemented by June 29, 2020. These controls include:

1. An updated interagency agreement with clear roles and responsibilities to be executed on a yearly basis;
2. More stringent reporting on financials, schedules, and deliverables on a weekly basis to closely monitor transition progress;
3. Moving the responsibility of task order assistance management to a new management team including a new contracting officer, contracting officer's representative, and the addition of a contracting specialist;
4. Newly established procedures for invoice reviews that ensures the proper oversight and payments for qualified employees and pre-approved travel claims.

In FY 2020, contract administration will remain a focus and OGP plans to conduct PMRs with the following GSA contracting organizations:

- Region 7 - FAS, PBS, and PBS leasing (December 2019)
- Electronic contract file review - GSA-Wide sample (January 2020)
- FAS Government wide acquisition contracts (February 2020)
- Reimbursable work authorizations - PBS Leasing (February 2020)
- Region 3 - FAS, PBS, and PBS leasing (March 2020)
- Region 1 - FAS (April 2020)
- Region 9 - FAS, PBS, and PBS leasing (April 2020)

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### **CHALLENGE # 3: Enhancing Government Procurement**

#### **Agency Action Completed or Planned**

One of GSA's core missions is to provide efficient and effective acquisition solutions across the Federal Government through innovative initiatives. To maximize outcomes and mitigate potential

challenges in its acquisition mission, GSA leverages an enterprise-wide approach, engages key internal and external stakeholders, implements policy and infrastructure in support of Government wide goals, and incorporates key performance metrics that accurately and objectively measure program effectiveness. To that end, GSA is in the process of implementing several complex acquisition initiatives, including the Government-wide adoption of category management (CM), the Multiple Award Schedules Program (MAS) consolidation, the rollout of commercial e-commerce portals, and the Enterprise Infrastructure Solutions (EIS) transition.

### **Supporting the Government-Wide Adoption of Category Management**

Category management is an approach to acquisitions that allows the Federal Government to buy smarter and more like a single enterprise. When CM was introduced as a Government-wide initiative in 2014, FAS faced the challenge of fulfilling new responsibilities as the Program Management Office (PMO) for the entire Federal Government while simultaneously satisfying its long-standing acquisition mission through FAS' contracting programs.

To address this challenge, FAS collaborated with the Office of Management and Budget (OMB) to establish a dedicated CM PMO that is wholly focused on promoting CM adoption Government-wide. The PMO supports the 10 Government-wide categories - 6 of which are led by GSA executives - and provides best-in-class (BIC) solution program support, where solutions are designated by OMB for maximum Government use. Of the approximately 40 current BIC solutions to date, the majority are GSA contracts or vehicles.

OMB Memo 19-13, issued in March 2019, has helped to institutionalize CM, noticeably increasing awareness and interest for agencies to implement CM. The PMO leads collaboration and education opportunities designed to increase this implementation. Examples of PMO-led activities include a CM implementation group, comprising all 24 CFO Act agencies; the BIC Community of Practice; education on the implementation of CM principles and available Government-wide solutions for procurement needs; training and demos of CM tools and materials; and ongoing collaboration with GSA's Office of Customer and Stakeholder Engagement to reach customer agencies.

In FY 2019, OMB's Office of Federal Procurement Policy and the Department of Justice each launched hubs on the Acquisition Gateway as a way to make policies, training, and job aids more accessible to their workforces. The hubs were accessed 880 times and 202 times, respectively. In FY 2020, the Government-wide Category Management (GWCM) PMO will continue to improve its CM content on the Acquisition Gateway.

The Acquisition Gateway also continues to add functionality that provides a value-added, tool-rich

experience. The new Independent Government Cost Estimate tool leverages negotiated pricing data from FAS service contracts to help agencies baseline their acquisitions. This tool enables users to create more accurate estimates of what acquisitions could cost, assisting with both budget forecasting and price evaluation. Another tool, eBuy Open, provides access to all the requests for information and requests for quote posted on eBuy since 2013. This data provides the acquisition workforce with examples of acquisitions conducted in all 10 categories of spend.

Prior to 2018, the primary challenge to category and contracting office consumption of transactional data reporting (TDR) was the absence of the data analyst skill set within those communities to leverage raw TDR data. To address this challenge, the GWCM PMO established the GWCM Acquisition Analytics platform as a medium to deliver meaningful comparative analytics from TDR for BIC contract solutions and schedules (optionally) to CM teams and contracting officers. At present, the Acquisition Analytics Platform provides comparative analytics on 5.1 million transactions from 21 contract solutions, representative of 1,204 unique vendors. TDR-sourced data constitutes 116,000 transactions, 34 unique vendors, and 2 unique contract solutions. The penetration of this platform into CM teams and departmental contract officer operations was identified as an evaluation metric in the FY 2020 TDR Pilot extension.

### **Transforming the Multiple Award Schedules Program**

A key element in addressing challenges associated with efforts to streamline Federal acquisition is the establishment of FAS' Federal Marketplace initiative (FMP), an initiative that includes several acquisition enhancement efforts. A cornerstone project of FMP is MAS consolidation, which accomplished its first milestone on October 1, 2019, with the release of the new consolidated schedule solicitation for the MAS Contract Vehicle.

When MAS consolidation was introduced, FAS noted several challenges in transforming the schedules program, including a lack of buy-in from all stakeholders, a lack of dedicated resources, excessive costs related to legacy systems, a lack of insight into business trends, the need for new systems and legislative restrictions (such as protest parity, cooperative purchasing restrictions and limited to commercial ordering). FAS took several steps to ensure the success of the project:

- FAS established an Integrated Project Team (IPT), which included members from across the FAS enterprise as well as the GSA Office of Strategic Communication. Meetings were also attended by the GSA Office of General Counsel and the GSA Office of the Inspector General. Creating the cross-functional IPT ensured the effort was properly resourced and provided the project with adequate subject-matter expertise on the various offerings in the MAS Program.

- To ensure that stakeholders' buy-in was achieved, FAS implemented multiple communication tactics throughout the project's lifecycle. FAS completed a robust external communication plan, including speaking engagements, an open [maspmo@gsa.gov](mailto:maspmo@gsa.gov) email, live and recorded webinars, [interact.gsa.gov](https://interact.gsa.gov) posts, blog posts, and two requests for information, both of which received overwhelmingly positive feedback. To further ensure agencies understood the forthcoming changes, FAS created a customer fact sheet that was shared with agencies.
- The MAS IPT took a measured approach to ensure most agencies would see little to no change in MAS services and product offerings. The MAS consolidation used existing Federal Acquisition Regulation (FAR), General Services Administration Acquisition Regulation, and Federal Supply Schedules clauses, ensuring a single, consistent solicitation. Using existing clauses provides a foundation for this contract vehicle that allows for further review of terms and conditions, and allows for flexibility to address future legislative and rule making.
- To ensure a strategic view, the MAS consolidation focused on targeted updates that ensure the systems support the publication of the new solicitation and are able to receive offers. This effort was successful as demonstrated by the fact that FAS has already received submitted offers.

### **Transactional Data Reporting**

As FAS continues the TDR pilot, some challenges remain, such as data quality issues, stakeholder access to and use of the collected data, and the ability to provide an evaluation of the pilot. To address these challenges, FAS continues to review transactional data and has granted TDR data access to the FAS acquisition workforce and CM teams, with the goal of improving the data maturity level and confidence in the data. Improved data will enrich the Price Point PLUS portal (4P) Tool and strengthen the position of the acquisition workforce during contract negotiations. GSA has enriched the TDR data with CM data to demonstrate buying patterns by agencies and pricing trends. TDR will also be foundational in the justification for allowing the MAS contract vehicle to be a BIC contract rather than a Spend Under Management Tier II contract, supporting multiple initiatives from OMB. During FY 2020, The TDR pilot will be evaluated using the new evaluation plan issued by the GSA Office of Government-wide Policy.

### **Contract-Awarded Labor Category (CALC) and Price Point PLUS Portal Tools**

MAS contract vehicles are negotiated with a ceiling rate using fair and reasonable pricing. During the base contract award, the CO negotiates with industry partners to ensure best value contract pricing. These contracts are negotiated for an order of one unit and product pricing is further negotiated to

include volume discounts, which are displayed publicly via the GSA Advantage!® price list. This is further supplemented by FAR Subpart 8.405-4 Price Reductions. This base-unit negotiation approach provides the program flexibility related to pricing, allows customers to purchase based on the actual needs of the agency, obtain additional discounts when placing orders through eBuy!®, and take advantage of volume discounts. Currently, FAS provides a transparent view of pricing options that are on the awarded MAS contracts.

The 4P Tool and CALC data are each one of several factors used to conduct market research. The way a service is quoted during the actual order is critical because multiple factors must be taken into account. Factors include location, pricing variations associated with the part of the supply chain from which the contractor is providing the item (manufacturer vs. reseller), and how the service is used. The CALC Tool can be used to compare pricing for similar labor categories at the ceiling rates. The 4P Tool provides a range of the ceiling rate price for products. This type of data is combined with additional market research and reviews of market trends to create a more comprehensive view of trends.

Using programs such as TDR, FAS has measured that ceiling pricing is lower overall compared to ceiling rates using the Commercial Sales Practice (CSP). This was determined by comparing the ceiling rates of products on *GSA Advantage!* from TDR price lists to those using the CSP. It is important to have a ceiling rate that is based off of a best value continuum rather than lowest price. Lowest price introduces risks into supply chain manufacturing and also quoting services that cannot be completed within the time and cost quoted.

### **Implementing Order-Level Materials (OLM)**

FAS has made an effort to mitigate challenges related to the implementation of OLM by limiting the total value of OLMs on an individual task or delivery order to 33.33 percent (one-third) of the order total. Currently, FAR Subpart 8.402(f) provides ordering activities with the ability to order “open market” items on orders and blanket purchase agreements (BPAs) for administrative convenience. FAS implemented the OLM Special Item Number (SIN) to move this spend to the MAS contract vehicle. This would allow FAS to have a better understanding of spending due to the sales reporting requirements. Similar to the open market buying ability allowed by the FAR, OLMs also have restrictions. This includes a maximum total by order, and above certain thresholds a fair and reasonable determination needs to be established by the ordering activity. The contractor must also invoice all OLMs as individual line items, this provides more transparency as the agency can see the actual items that are in the OLM SIN. Further, for those contractors participating in TDR they must report these sales transactionally, thus providing FAS the ability to learn if there are services or

supplies that need a new SIN to complete the MAS contract.

### **Implementing Procurement through Commercial E-Commerce Portals**

GSA and OMB announced the completion of Phase 2: Market Research and Consultation in April 2019. In this implementation plan, GSA and OMB outline three key decisions necessary to begin the implementation of the FY 2018 National Defense Authorization Act (NDAA), Section 846 directive:

- Begin operational implementation of the program with an initial proof of concept to start small, test, and refine as lessons are learned;
- Limit purchases made through the initial proof of concept to the micro-purchase threshold (MPT) to drive adoption and mitigate risk; and
- Start with the e-marketplace model for this initial proof of concept while continuing to assess opportunities to leverage the benefits of the other commercial e-commerce portal models.

Moving into Phase 3: Implementation Guidance, and continuing through FY 2020, GSA is focused on three key areas:

- Implementing the initial proof of concept in early calendar year 2020
- Developing implementation guidance and success metrics for the initial proof of concept
- Continuing to engage stakeholders, including partnering with agencies that are interested in helping to shape the initial proof of concept

GSA issued a solicitation in October 2019 to request proposals from e-marketplace portal providers meeting the business-to-business requirements of the proof of concept for the Commercial Platforms program. The program seeks to modernize how commercial products are bought via the open market by Federal agencies through partnerships with multiple commercial e-marketplace platform providers, while helping agency partners gain better visibility and insights into their online spend.

The goal of the proof of concept is to start small with a subset of participating agencies to test, refine, and ultimately grow the program based on the lessons learned. By launching the initial proof of concept in early calendar year 2020, GSA offers a way for agencies to access commercial platforms as part of a whole-of-Government approach and improve visibility into their online spend. FAS is implementing an agency engagement and change management strategy with those subset of agencies who are committed to participating in the initial proof of concept. While the program is not mandatory, GSA plans to share a letter of intent with each participating agency so that it can benchmark and measure usage accordingly.

FAS will work as part of Phase 3: Implementation Guidance to define clear stage gates based on the

actual collected spend data to evaluate how well the initial proof of concept is performing. This evaluation will enable FAS to identify changes or investments that might be required for larger program expansion and will answer questions identified in the Phase 2 implementation plan:

- To what extent is the program successfully modernizing the commercial off the shelf buying experience?
- To what extent is the program attracting buyers and thus shifting work away from COs to allow them to focus on higher value and more complex work, and what changes would need to be addressed for a broader expansion?
- To what extent can the program's increased transparency, both in terms of spending data visibility and access to mandatory source and socioeconomic programs, drive better buying strategies and decisions?

FAS will respond to these questions as part of the Phase 3 report due April 2020, and will include the related metrics and benchmarks.

One of the key areas of interest in Section 846 among various stakeholders is the balance of commercial practices with Federal regulations. Congress directed GSA to follow commercial practices to the maximum extent practicable; however, Section 846 does not grant relief from existing statutes governing the purchase of commercial items. To assess this balance, FAS concluded that it would launch the initial proof of concept at the MPT level. The MPT provides a less complicated and more commercial-like way to begin gaining experience with commercial e-commerce platforms. By starting with a more scaled approach, GSA can test the impacts for a minimal investment and make informed decisions on where to grow the program in the future.

Another area of concern was regarding the use of data by portal providers. FAS intends to use the proof of concept to monitor the impacts of the data protection clarifications in Section 838 of the FY 2019 NDAA to better understand and assess concerns across e-marketplace model portal providers and the supplier community and to evaluate whether further statutory clarifications are needed. At this time, FAS has included the Section 838 language in the solicitation with the expectation that portal providers comply with this directive. Additionally, the solicitation specifies that data and information accessible to the portal providers is proprietary to the Government.

Throughout the implementation of the initial proof of concept, FAS will continue to assess the potential effects of the Commercial Platforms initiative on existing acquisition programs. It's important to note that the Commercial Platforms initiative is not intended to replace existing Government purchasing channels. Instead, the platforms will be a valuable purchasing tool available to agencies

with the added benefit of visibility - helping agencies gain insights into their spend and to better manage supply chain risk. The ordering guidance issued as part of the solicitation for implementation of the initial proof of concept emphasizes and addresses relevant sources of supply to minimize impact on existing acquisition programs.

### **Leading the Transition to the Enterprise Infrastructure Solutions Contract**

GSA continues to partner with agencies and industry to achieve IT modernization and fiscally responsible acquisition of IT infrastructure by leveraging the GSA-awarded EIS contract. GSA has established an action plan to achieve the modernization objectives, address enterprise level transition, incorporate contemporary service delivery models, and deliver overall compliance (e.g., security, IT acquisition policy). To be successful, GSA recognizes that agencies and industry must also serve as strong partners in leading the transition toward IT modernization goals within an aggressive timeframe.

Additionally, the GSA action plan recognizes the challenges identified by the GSA OIG, including agency acquisition planning delays, full service exit, and transition execution. The central objectives of this action plan are to

1. Increase collaboration within and across agencies and industry
2. More aggressively leverage the transition to EIS to drive network infrastructure modernization as directed in the President's Report on Federal IT Modernization issued in December 2017;
3. Manage in a unique operating environment post EIS-award (e.g., need for dual operations during transition); and
4. Ensure the products and services delivered through EIS address the emerging and growing security challenges of today's operating environment.

A primary challenge in achieving these objectives is the time and effort required to complete transition prior to the 2023 expiration of many of the extended legacy contracts.

The departure from the full-service telecommunications delivery model reflects the need for modernization and greater compliance with statutes like the Federal IT Acquisition Reform Act and acquisition guidance. The telecom industry is considering eliminating legacy infrastructure components as early as December 2023. At the same time, Federal budget cycles and resource constraints (funding, systems, people) create additional complexity which affect the length of time needed to effectively transition from infrastructure. OMB required each agency to develop and maintain their EIS transition plan. GSA's responsibility is to assist in transition with lessons learned from previous transitions and inform agencies of solutions they can leverage to modernize. GSA's

action plan to lead EIS transition addresses the challenges by focusing on agency collaboration at strategic and tactical levels, industry collaboration, small agency support, and Government-wide tools and forums to address Government-wide problems.

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#### **CHALLENGE # 4: Maximizing the Performance of GSA's Real Property Inventory**

##### **Agency Action Completed or Planned**

In FY 2019, GSA began implementing the Real Estate Investment and Savings Strategy to maximize the performance of its real property portfolio, save taxpayer money, and reduce costs for GSA and customer agencies. By executing this strategy, GSA anticipates saving several billion dollars in future Federal spending. This strategy consists of three components:

- Footprint Optimization
- Lease Cost Avoidance
- Productivity

In implementing this strategy, GSA is maximizing the performance of its real property inventory to meet the needs of its customer agencies, at the best value for taxpayers. The plan, which allocates appropriated and authorized resources in the most effective and cost-efficient manner, addresses the OIG's concerns about PBS's real property inventory challenges.

##### **Footprint Optimization**

GSA's footprint optimization initiative is reducing and consolidating space to decrease real estate and leasing costs, one of the OIG's highlighted challenges. GSA optimizes its footprint by focusing on real estate solutions in owned and leased assets. From the inception of Reduce the Footprint in FY 2015 to end of FY 2019, GSA has helped its customers realize a reduction of 4.6 million rentable square feet (RSF), with over 6 million RSF in leased space offsetting the 1.5 million RSF increase in GSA's owned inventory.

For further space reductions in FY 2019, GSA developed new tools, reports, and system enhancements to identify assets that can be more effectively utilized. GSA is partnering closely with Federal agencies to drive higher utilization rates and space reductions. GSA implemented the Asset Segmentation Model, the Integrated Planning process, and new tools to improve timeliness of gathering customer requirements, and continues to leverage its Total Workplace Program to engage

agencies and enable effective design. Through the Workplace Investment Feasibility Model (WIFM) tool, which allows for expedited scenario-based planning and rough order of magnitude estimating of solutions, agencies are provided with proper data to make informed decisions for effective reductions. In addition to WIFModel, GSA's workplace strategists, workplace surveys, scorecards, and other tools enable clients to align projects and enterprise program goals. Together, GSA develops planning solutions to optimize assets utilization through tenant housing and workplace strategies, outleasing to private entities, and disposal. Ultimately, GSA works with Federal agencies to design cost-efficient space that meets mission requirements in appropriately sized space.

GSA is implementing action plans to reduce the amount of vacant space and losses associated with lease Funds From Operations (FFO). GSA's vacant space of 3 percent remains significantly lower than reported by CBRE Office Vacancy Report (June 2019) of 12 percent. The agency continues to seek ways to backfill vacant space timely to reduce costs.

Additionally, GSA will continue to reduce space through capital investments and consolidation projects. The enacted FY 2019 Budget provided GSA with \$276 million in Major Repairs and Alterations funding with the requirement that a spending plan and explanation of projects be provided to the Committee on Appropriations in the House and Senate. As part of that expenditure plan provided to Congress in May 2019, PBS allocated over \$90 million to two projects on the Denver Federal Center that will result in approximately \$7.6 million annually in lease cost avoidance, and allocated approximately \$22 million to assist in the consolidation efforts at the Department of Education headquarters in Washington, DC, that will result in approximately \$6.5 million in lease cost avoidance when the project is complete. Additionally, PBS has proposed allocating \$13 million of the \$276 million to projects identified through the consolidation activities program. The funds expended by GSA for projects within the Consolidation Activities program on average have payback periods of less than 5 years compared to the cost of leasing space from the private sector.

A key component of optimizing the Federal footprint is repurposing and disposing of underutilized assets. GSA disposes of underperforming Federal assets by working with agencies to develop and prioritize effective and efficient real property repositioning strategies. GSA aggressively identifies and disposes of underperforming assets through expanded sales and outleases, auctions, and transfers to local entities. In the last 5 years, GSA awarded 737 disposal projects on behalf of all Federal agencies totaling over \$387 million in proceeds. Last year alone, GSA awarded 167 disposal projects totaling \$99 million in proceeds.

The OIG states that disposing of Federal real property is problematic due to the length of time for the disposal process and the associated costs. The issue is not the cycle time of the disposal process

itself; GSA continuously meets its disposal cycle time measures. In FY 2019, GSA was on time for public sale disposals 99 percent of the time and 98 percent on time for non-competitive sales and donations. Once reported excess, properties move quickly through the disposal process. However, getting properties in the pipeline for disposal typically takes longer. Properties can linger for years in vacant or partially vacant status while agencies try to obtain funding to improve or backfill the space. When there are funding constraints, alternative asset strategies have to be implemented including property disposal. In these cases, the entire life-cycle of the asset repositioning strategy can be a lengthy process.

GSA is addressing this challenge by assisting the Public Buildings Reform Board to implement the Federal Assets Sales and Transfer Act (FASTA). GSA has been working closely with customer agencies to review Federal properties to determine which assets are candidates for disposal under FASTA. GSA is helping agencies analyze their real estate portfolio and providing options for improving asset utilization and reducing costs.

### **Lease Cost Avoidance**

GSA is dedicated to saving money and providing the best value to customers and the American taxpayer. An examination of GSA's real estate portfolio shows that targeting specific lease agreements offered the greatest potential savings. Sixty percent of GSA leases will expire between FY 2019 and FY 2023. This creates a unique opportunity for GSA to restructure its lease portfolio. By targeting the highest cost leases, GSA estimates it can save billions over the life of new lease agreements from FY 2018 through FY 2023. Over the past 2 years, GSA avoided over \$1 billion in future lease costs through the Lease Cost Avoidance Plan.

GSA is achieving savings by:

1. Targeting leases with high utilization rates to reduce space;
2. Negotiating longer firm-term leases;
3. Negotiating leases below market rates;
4. Maximizing Automated Advanced Acquisition Program (AAP) awards to replace low-cost expiring leases;
5. Increasing broker task orders for higher cost expiring leases; and
6. Backfilling vacant Federally owned space.

GSA is driving these efforts through the Lease Cost Avoidance Plan, which has been implemented throughout all 11 regions and is increasing consistency throughout the leasing process.

These efforts have proven successful. In FY 2019, 61 percent of expired lease dollars were replaced and 27 percent have been extended. Forty-six percent of leases awarded in FY 2019 have a long firm-term (10 years or greater), which is a 14 percent improvement from last year (excludes FY 2020 Census leases). GSA also demonstrated improvement by procuring 76 percent of lease dollars through AAAP or broker task order, an 8 percent improvement from last year. Through these efforts, GSA reduced its leased inventory in FY 2019 (excludes FY 2020 Census leases) by almost 1.7 million RSF, increased the average lease firm term from 6.4 to 7.6 years, and negotiated rates an average of 17 percent below market.

In order to achieve its avoidance goal, GSA realigned internal resources to critical positions and is investing additional resources to increase productivity and accelerate the lease replacement rate. GSA has been granted direct-hire authority to hire staff and is bringing contractors on board to assist with the additional work. While GSA will incur additional costs for these resources in the short-term, as cited by OIG, GSA will reap bigger savings long-term with the cost avoidance generated over the life of the leases.

GSA made tremendous strides in advancing the leasing program by negotiating leases 17 percent below the market mid-point for comparable lease terms in FY 2019. Furthermore, GSA reduced improper payments by focusing responsibility for lease contract administration in three zonal centers of expertise, with over \$19 million recovered in FY 2019. Lease holdovers continue to decrease and have reduced by 50 percent since FY 2014.

GSA will continue to implement the improvements it is making in the leasing program, focusing on standardization, consistency, and lease financial performance to reduce space and save money. The Lease Cost Avoidance initiative creates an opportunity to optimize the Federal footprint, save taxpayer dollars, and fulfill GSA's mission.

### **Productivity**

The Productivity initiative will improve the efficiency with which GSA delivers programs by leveraging talent and improving processes and tools. This effort will plan for the workforce of the future, shift human capital, align the budget to mission needs, and ensure that GSA is focusing on high-value work. GSA is evaluating resource needs across the organization to ensure that staff are in place and equipped to make the plan successful.

GSA is investing in robotic process automation, system improvements, and process standardization to create consistent and nationally standard business processes that will generate efficiencies and improve performance. Driving consistency has been a concern highlighted by the OIG that GSA is

addressing through this initiative.

Another area GSA is targeting for improvement through this initiative is in its Operations and Maintenance (O&M) program. GSA is completing a robust analysis of its national recurring contract program and highlighting ways GSA can improve acquisition and business processes to yield the highest quality vendors. The OIG cites that reduced levels of O&M funding over time can lead to increased costs and increase repair needs. GSA allocates its funding to the most deserving projects through a vigorous decision process, balancing competing needs and priorities. GSA is committed to executing deserving, cost-effective investments into its assets that will reduce long-term costs and the growing backlog of critical repairs and renovations that are necessary in Federal facilities.

In FY 2019, GSA made other improvements in facilities management, including its energy and environmental programs. GSA has strengthened guidance and controls for Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contracts. These contracts are designed to provide GSA the ability to invest in buildings that generate energy savings and reduce costs, with minimal upfront cost. To centralize oversight and provide support to the regions in developing, awarding and executing these contracts, GSA established a national Program Management Office (PMO). This office develops procedures and policies to ensure procurement consistency and Government benefit. These efforts will help drive consistency in how GSA's evaluates and manages these contracts. The PMO has a strategic initiative for FY 2020 to look for ways to improve the measurement and verification process to ensure the savings in ESPCs are sustainable over time.

GSA is developing new guidance and procedures to drive a nationally consistent framework for identifying, reporting, and addressing environmental risks across the GSA building inventory. Last year, GSA enhanced systems to capture and track environmental health and safety issues, as well as corrective action steps. To ensure compliance, GSA regularly updates its policies to reflect regulatory changes and trains its workforce accordingly.

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## **CHALLENGE # 5: Managing GSA's Role Under the Comprehensive Plan for Reorganizing the Executive Branch**

### **Agency Action Completed or Planned**

GSA agrees that merging the business of two agencies is a demanding endeavor, presenting a number of legal, financial, operational, and programmatic challenges. GSA is committed to partnering with OPM and OMB and working with the Congress and other stakeholders to arrive at a solution that

is well-thought-out, in accordance with existing authorities, and appropriately resourced. To date, we have made progress on a number of things, including:

1. Conducting a comprehensive legal analysis to determine the authorities to transfer certain functions;
2. Partnering with OPM through interagency agreements to analyze and support OPM's IT infrastructure and provide assisted acquisition services for several OPM acquisitions;
3. Working with OPM to support the facility operations and management acquisition for the Federal Executive Institute (FEI);
4. Returning management of OPM's Theodore Roosevelt building to GSA; and
5. Drafting legislation that, if enacted, would transfer all functions performed by OPM to GSA with the exception of certain policy functions.

GSA and OPM also partnered to develop an implementation plan for the HR Quality Services Management Office in accordance with OMB Memo M-19-16. In addition, through subsequent delegated authorities, GSA will begin providing administrative support to the Chief Human Capital Officers Council.

GSA is committed to engaging with OPM and OMB to conduct workforce and financial analysis on impacts to GSA for any functions proposed to be assumed by GSA.

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## **CHALLENGE # 6: Prioritizing Agency Cybersecurity**

### **Agency Action Completed or Planned**

GSA IT, in partnership with PBS, continues to make improvements in the overall security of building systems. In response to earlier audit findings, GSA took steps to maintain a full and complete inventory of building management systems, proactively identifying and modernizing at-risk building systems, targeting high-risk buildings and at-risk technologies, making risk-informed investments in the hygiene of the network infrastructure, implementing personnel and technology process improvements, conducting vendor outreach and management, and providing relevant training to the workforce.

To protect and secure sensitive building information (Federal tenant data, floorplans, leasing data, and market surveys with competitive rental rates), PBS IT and GSA IT Security:

- Implemented more strenuous guidelines for contractor requirements in the National Broker Contract.
- Required GSA Leasing Support Services (GLS) brokers to use Government-provided systems and email to store or process all information pertaining to leases.
- Required contractors to use GSA-provided IT systems and email (currently virtual desktops and GSA-provided Google Accounts) to store, process, or transmit GSA information for all work performed under this contract.

In FY 2018, GSA IT and the PBS Office of Facilities Management implemented a Risk Management Framework (RMF) scorecard to identify and prioritize at-risk building systems. In FY 2018, GSA assessed 30 buildings and applied the RMF to focus on 17 prioritized buildings. Key activities included:

- Categorizing systems and data by that system based on the practical impact of the system;
- Selecting and tailoring baseline security controls for the system based on potential security impacts;
- Implementing security controls;
- Documenting how the controls are deployed within the system and operating environment;
- Periodically assessing the implemented security controls to determine how well the controls are implemented and operating;
- Authorizing the use of the systems based upon a risk-management determination of the actual risk presented by the system; and
- Monitoring and assessing selected security controls in the system including:
  - Assessing security control effectiveness
  - Documenting changes to the system or operating environment
  - Conducting security impact analyses of any associated changes
  - Reporting the security posture of the system to appropriate stakeholders.

In FY 2019, GSA developed a funding and procurement strategy to address operational risks across the building systems portfolio, which included identifying and replacing End of Life (EOL) technology. Eighty switches were replaced and 230 building systems workstations and 180 servers were updated. Additionally, GSA-IT audited and provided training for the identification and removal of unsecured network connections to ensure appropriate security controls are in place. GSA also mitigated other potential vulnerabilities through active and continuous diagnostics and monitoring. GSA IT continues to manage IP-enabled building systems devices. Additionally, in FY 2019, 21 new solutions were assessed in the GSA IT's Security lab at GSA's headquarters.

Vendor and employee outreach efforts continued in FY 2019 to ensure products adhere to Federal IT and cybersecurity requirements and that employees understand and respond effectively to building related security vulnerabilities. In addition to workforce training and the regular meetings GSA IT and PBS held with industry to ensure products meet Federal and GSA security policies and processes, GSA IT introduced additional rigor into contractor requirements in the National Broker Contract. These new guidelines now require GLS Brokers and contractors to use Government-provided systems and email to store or process any and all information pertaining to leases, to store, process, or transmit information for all work performed.

In FY 2020, GSA IT will continue to partner with PBS to ensure that building system stakeholders are aware of security requirements and the importance of securing GSA facilities against risks and incidents. GSA provided guidance and language about cybersecurity requirements to include in leasing agreements that are in line with existing cybersecurity and IT policy. Pending availability of funds, GSA will tackle additional EOL or at-risk building systems. Additionally, GSA-IT is planning on modernizing and re-architecting the Building Systems Network (BSN). FY 2020's focus will be on the re-design of BSN, followed by a rollout in the outyears. Lastly, GSA will conduct Incident Response as well as a number of Building Recovery exercises throughout the year.

### **Controlling Access to Sensitive Information in GSA Systems**

GSA maintains a formal program for information security management focused on Federal Information Security Modernization Act (FISMA) requirements and protecting GSA IT resources. This program is focused on processes necessary to mitigate new threats and anticipate risks posed by new technologies and follows the National Institute of Standards and Technology's cybersecurity framework for making risk-based determinations. Integration of cybersecurity with enterprise risk management has been improved by bringing the discussion of cyber risks to the Investment Review Board, a strategically focused board that centers on investment strategies and priorities for GSA, ensuring an enterprise approach to prioritizing investment decisions that mitigate cyber risks.

GSA meets all FISMA Cross Agency Priority Goals for cybersecurity and received a "Managing Risk" rating across all capability domains and overall for the Risk Management Assessment Scorecard. GSA also received an overall "Effective" rating from the OIG for the GSA IT security program in the FY 2019 FISMA independent review.

GSA IT implemented robust cyber security capabilities focused on data protection, secure access to sensitive information, and, monitoring and response. In FY 2020, GSA IT will continue to control access to sensitive information by:

- Continuing to participate in the Department of Homeland Security Continuous Diagnostics and Mitigation program. As part of the program, GSA will implement solutions and capabilities supporting the privilege management across the enterprise for all accounts that provide elevated privileges by the end of FY 2020.
- Ensuring that the enterprise infrastructure support contract has Service Level Agreements that meet critical cybersecurity requirements and metrics of the Agency and the Federal Government.
- Continuing to provide ongoing training to the cybersecurity stakeholders responsible for the implementation of key cyber security controls within GSA information systems. These topics shall be reviewed continuously based on the emerging threats to GSA information systems.
- Ensuring that contracting officers, contracting officer's representatives (COR), and program managers validate that the appropriate cybersecurity language is included in all GSA IT contracts as outlined in GSA policy and procedures.
- Performing an analysis and developing a plan to implement data at rest encryption for all GSA information systems, including contractor-owned and -operated, that store, process, and transmit personally identifiable information and financial information.
- Securing GSA accounts and data in the cloud through implementation of GSA's Cloud Access Security Broker solution.
- Securing GSA users and device end-points anywhere in the world from phishing, malware, and ransomware attacks through integration with an enterprise cloud security platform that provides visibility and blocking of malicious activity earlier in the cyber kill chain through DNS filtering.
- Analyzing and visualizing GSA's security data in the enterprise logging platform to provide better insight into risks, threats, and operations.

Further, in FY 2020, GSA IT will implement the following mitigations and recommendations to address the findings and challenges from the FY 2018 annual FISMA review of GSA's IT security program and any new FY 2019 FISMA audit recommendations:

- Perform review of system security plans (SSP) to ensure SSPs are documented in accordance with GSA requirements.
- Implement a standard, formal contractor deliverable review and acceptance process by the COR, information systems security officer, or information systems security manager used to monitor contractor or third-party compliance with GSA security requirements. GSA IT will provide training to relevant stakeholders on this new governance process to ensure consistent implementation.

- Implement checklists within GSA's Governance, Risk, and Compliance tool to aid with the tracking of periodic security deliverable submissions and related review of vulnerability and compliance scans. This will be further enhanced with the implementation of a centralized dashboard to provide cyber hygiene data across GSA FISMA systems with related system and agency risk scores.
  - Review and enhance enterprise account management and recertification processes ensuring accounts are recertified annually and removed in a timely manner.
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## **CHALLENGE # 7: Securing the System for Award Management**

### **Agency Action Completed or Planned**

GSA closely manages security risks to our IT systems including the System for Award Management (SAM). In FY 2018, GSA implemented multiple new controls to deter fraudulent activity in SAM, including:

1. Implementing multi-factor authentication to log into SAM.gov. This requires a SAM user to be double-validated by a username and password and by entering a unique code sent to an electronic device associated with his or her user account during the login process.
2. Restricting access to the expired registration data migrated into SAM (in 2012) from the Central Contractor Registration system, which has never been activated in the system. This deters bad actors from using inactive registration information to impersonate a legitimate business.
3. Notifying the entity and the parent entity when the entity changes bank information in the registration. This reduces the risk of undetected financial information changes and misdirected payments. Parent approvals are also required if a child entity tries to register in SAM.
4. Partially masking sensitive data, for authenticated display to entities. This enhances the existing control (which prevents public display of sensitive data) by not displaying full sensitive fields even to users with roles at the entity, reducing the risk of exposing data should a bad actor gain access to a registration. SAM only displays the last four characters of the Marketing Partner Identification Number, Taxpayer Identification Number, ABA routing number, and bank account number for users with approved roles.

In FY 2019, GSA tested the controls implemented in FY 2018 and built on them. GSA commissioned a comprehensive third-party fraud and risk assessment of both legacy SAM and the beta.SAM.gov modernization effort. The assessment sought to identify existing web application vulnerabilities and

business process flaws. Only minor issues were identified within the SAM application itself and these were addressed following GSA IT security policy. Several inherited risks were identified from an external interface. These were shared with the provider and addressed in a timely manner. GSA considers the use of the third-party assessment team essential to vigilant protection of data.

GSA's Integrated Award Environment (IAE) Program Office will introduce a new unique Entity ID, generated in SAM.gov, as the official identifier for doing business with the Government. The SAM-generated unique entity identifier will replace Data Universal Number System® numbers, which SAM uses to identify unique entities and to control entity relationships and user permissions. A commercial source will provide validation of entity uniqueness and core entity data. The SAM-generated identifier will be assigned to the validated entity, allowing the Government, in the future, to competitively contract for entity validation services while avoiding the use of a proprietary identifier. The SAM-generated Unique Entity ID standard was developed by an interagency working group and published in the Federal Register on July 10, 2019. IAE began the development efforts to make this system change and are continuing to treat security as foundational, ensuring compliance with relevant GSA IT Security policies.

GSA and the SAM.gov program office take seriously the complaints of third parties that allegedly defraud SAM registrants. In order to address this issue, GSA has an active customer outreach campaign and provides no-cost assistance to any entities seeking to register or understand the registration process.

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## **CHALLENGE # 8: Managing Human Capital Efficiently to Accomplish GSA's Mission**

### **Agency Action Completed or Planned**

GSA agrees that management of human capital is critical to our continued success. As part of its enterprise risk management program, GSA surveyed its senior executives and GS-15 employees to assess categories of risk that could affect the agency's ability to achieve its mission in FY 2020, and human capital was confirmed as a top agency risk. To actively mitigate the challenges associated with managing the workforce, GSA is employing several strategies in this effort, including a renewed emphasis on workforce planning that is tailored to the specific needs of each organization.

In FY 2019, GSA continued implementation of its enterprise-wide workforce planning cycle. GSA conducted workforce assessments of each Service and Staff Office (SSO) to evaluate their progress in implementing the strategies outlined in their FY 2018 workforce action plans. In FY 2020, GSA is

including workforce planning as a performance plan requirement for all Heads of SSOs. GSA will assess each organization's workforce planning maturity level using a maturity model and provide supporting tools and resources to help each organization progress to the next level.

In FY 2019, GSA established an enterprise-wide competency management program to build and manage competencies. GSA completed competency models for four job series and categories (2210, 1170, "Leadership," and "General"). GSA will continue to identify and build competency models for other critical job and role categories in FY 2020. As new competency models are developed, GSA will integrate them into human capital applications such as training plans and position descriptions.

GSA launched an enterprise succession management program in FY 2019 to identify key leadership positions and successors across SSOs. Succession management reduces risks associated with GSA's high retirement eligibility by indicating where gaps exist in skills and training. In FY 2020, OHRM is building on succession management work initiated in FY 2019 by identifying additional critical positions and roles, developing succession and retention strategies, and addressing knowledge transfer.

In support of effective hiring, OHRM implemented standard tools and processes to improve the speed and quality of hiring, resulting in a savings of 15 to 30 days from the hiring timeline. GSA also reestablished the Emerging Leaders Program in FY 2019, designed to provide rotational opportunities and professional development training to entry-level employees and to create a talent pipeline for the agency. GSA has participants in the Central Office program and throughout the regions. Resources to continue the program through at least FY 2022 were secured to encourage continuity. Options are being explored in FY 2020 to consolidate the program enterprise-wide to provide consistency in training and engagement activities.

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## **CHALLENGE # 9: Safeguarding Federal Facilities and Providing a Secure Work Environment**

### **Agency Action Completed or Planned**

GSA provides safe, healthy, and secure workplaces for Federal employees and visitors. In partnership with the Federal Protective Service (FPS) at the Department of Homeland Security (DHS), GSA is continuously working to evaluate and improve its programs related to safety and security in Federal workplaces. Along with DHS, GSA serves as co-lead for the Government Facilities Sector of the National Infrastructure Protection Plan, helping partner agencies by sharing expertise and best practices for the management of Government facilities

## **Background Investigations and Tracking Contractors' Clearances**

In response to 2016 OIG audit findings, GSA established the ability to determine if departed contractors' GSA access cards were properly collected and destroyed within the GSA Credential and Identity Management System (GCIMS). Reports listing inactive personnel without a recorded GSA access card status were provided to Heads of Services and Staff Offices for updates.

In September 2019, the Office of Mission Assurance released the GCIMS Contract Dashboard. The dashboard replaces the previous process and allows a requesting official (RO) to view all contractors and contractor statuses assigned to them in one location. The tool displays inactive contractors and their GSA access card status, enabling ROs to easily identify outstanding cards. The data provided allows ROs to reach out to vendors to retrieve outstanding GSA access cards.

With the transition of contractor background investigations from FPS to the Office of Personnel Management, GSA obtained increased visibility into the adjudication process, enabling the agency to accurately capture all contractor background investigation statuses in GCIMS.

## **Unauthorized Access**

Over the last 2 years, GSA discontinued the use of facility access cards and updated the Physical Access Control Systems (PACS) in approximately 70 facilities across the Nation. GSA continues to invest in PACS, updating legacy systems to meet the requirements of the Office of Management and Budget and the Interagency Security Committee. At the present time, all 11 GSA Regions are moving forward with a phased approach for implementation of the GSA e-PACS. Contingent on funding, this effort should be completed in FY 2022. The access cards GSA currently produces for the Executive Branch are all HSPD-12 compliant.

## **Facility Security Assessments**

Since the signing of a memorandum of agreement between FPS and GSA on September 27, 2018, GSA now has access to facility security assessments and countermeasure recommendations using the FPS Modify Infrastructure Survey Tool. Having access to the assessments provides GSA with the opportunity to review the assessments, research facility issues when they arise, and account for the security in GSA facilities when necessary.